



Daily Report

China

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Daily Report

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General

U.S. 'Cautioned' on Arms Sales to Middle East

HK2103104291 Hong Kong AFP in English 1018 GMT
21 Mar 91

[Text] Beijing, March 21 (AFP) - China cautioned the United States Thursday to limit its weapons sales to the Middle East, responding to a White House plan to underwrite U.S. arms contractors' exports.

"As the largest arms supplier in the world, the United States should take practical and effective limitation measures on selling arms so as to prevent ... a situation which is unfavorable to regional peace, security and stability," the Foreign Ministry said in a statement.

The warning came as Washington tries to seek assurances from Beijing that it will limit missile sales to the Middle East following the end of the Gulf war.

The White House confirmed Monday that it had requested Congress to authorize the U.S. Import-Export Bank to underwrite arms exports by American military contractors.

Critics said the decision ran counter to U.S. post-war efforts to work out an international mechanism on Middle East arms control.

China is a major arms supplier to the Middle East, having sold weapons to Iraq and Iran during their eight-year war as well as to Saudi Arabia and Syria.

A meeting of the 16-member Missile Technology Control Regime (MTCR), including the United States, ended Wednesday in Tokyo with an appeal to China and the Soviet Union to respect MTCR guidelines banning the proliferation of missiles.

China, which is not an MTCR member, has expressed frustration over being asked to abide by guidelines that it had no part in drawing up.

Foreign Ministry Holds Weekly News Briefing

Urges Lifting Sanctions Against Iraq

OW2103085991 Beijing XINHUA in English
0844 GMT 21 Mar 91

[Text] Beijing, March 21 (XINHUA)—A Chinese Foreign Ministry spokesman today called for an earliest possible lifting of the economic sanctions imposed on Iraq.

Spokesman Wu Jianmin, speaking at a weekly press conference here this afternoon, said that now, a ceasefire of the Gulf war has been established. The Iraqi people are innocent. Having suffered the scourge of war, they are now faced with serious difficulties in their daily life.

"The international community should consider an earliest possible lifting of the economic sanctions against

Iraq, so as to extricate the Iraqi people from their difficulties," the spokesman added.

Wu made the remarks in response to a question seeking China's view on the proposal by France and some other countries for lifting the economic sanctions imposed on Iraq.

Changed Stance on Northern Territories

OW2103102691 Tokyo KYODO in English 0844 GMT
21 Mar 91

[Text] Beijing, March 21, KYODO—An official indicated Thursday that China has dropped its previous support for Japan's claim to the return of four Soviet-held northern islands.

A Chinese Foreign Ministry spokesman said the territorial dispute is a bilateral matter for Japan and the Soviet Union. The spokesman did not elaborate.

During years of severe confrontation with the Soviet Union, China strongly backed Japan's call for the return of Etorofu, Kunashiri, Shikotan, and the Habomais Islands, which the Soviet Union seized immediately after World War II.

Stepped-Up Consultations With France

OW2103091591 Beijing XINHUA in English
0901 GMT 21 Mar 91

[Text] Beijing, March 21 (XINHUA)—China and France are ready to step up consultation on the Middle East and Cambodia issues, a Chinese Foreign Ministry spokesman said today.

Spokesman Wu Jianmin was briefing a weekly press conference this afternoon on the visit to China by French state secretary to the Foreign Ministry, Thierry de Beauce, who arrived yesterday.

Chinese Vice-Minister of Foreign Affairs Tian Zengpei held talks with de Beauce yesterday, and Foreign Minister Qian Qichen met with him and his party this morning.

"The two sides have discussed bilateral relations and international issues of mutual concern," Wu said.

The senior diplomats, in reference to a long history of cooperation in their bilateral relations, noted that bilateral relations are gradually returning to normal and they are willing to work for further improvement and development of the relations.

"The two sides held that China and France have identical or similar views on many important international issues," Wu said. "In view of the complex and volatile international situation, it is of great importance for the two countries to step up their consultations and exchange views."

"The two sides expressed readiness to increase their consultation on such international issues as the Middle East and Cambodia problems," Wu said.

As China and France are both permanent members of the United Nations Security Council, Wu said, "the development of Sino-French relations is not only in the interests of the two peoples, but also conducive to world peace and stability."

New Cambodia Consultations Favored

OW2103092591 Beijing XINHUA in English
0910 GMT 21 Mar 91

[Text] Beijing, March 21 (XINHUA)—China favors another consultation among the Paris conference co-chairmen and all the members of Cambodia's Supreme National Council so as to create conditions for an early resumption of the Paris conference, a Chinese Foreign Ministry spokesman said today.

The spokesman, Wu Jianmin, made the remark at a press conference this afternoon, as he was asked to comment on the result of the recent meeting here of Prince Norodom Sihanouk and the other leaders of the Cambodia resistance forces.

The meeting was held to discuss the current situation of Cambodia, a political settlement of the Cambodian question and other important matters, and the participants reached identity of views, the spokesman said.

They reaffirmed their full support to the U.N Security Council Resolution 668, the draft agreement of a comprehensive political settlement of the Cambodian question and the joint declaration issued by the four Cambodian parties in Jakarta, Wu noted.

They also called on all parties concerned to work for an early comprehensive political settlement of the Cambodian conflict, he added.

"We appreciate the position held by the Cambodian resistance forces and will continue to support their efforts in search of a political settlement of the Cambodian question," the spokesman said.

"We hope that all parties to the Cambodian conflict, including Vietnam, will, by conforming to the trend of the times and in a forward-looking spirit, accept as soon as possible the framework documents adopted by the permanent five of the U.N. Security Council and the draft agreement," he said.

"We are in favor of another consultation among the co-chairmen of the Paris conference and all the members of Cambodia's Supreme National Council so as to create conditions for an early resumption of the Paris conference," Wu said.

Peruvians' Visit Announced

OW2103091291 Beijing XINHUA in English
0842 GMT 21 Mar 91

[Text] Beijing March 21 (XINHUA)—A parliamentary delegation of Peru headed by Maximo San Roman, Peru's first vice-president and president of the Senate, will pay a

goodwill visit to China from March 22 to 30, a Chinese Foreign Ministry spokesman announced here today.

The delegation will be guests of the Standing Committee of China's National People's Congress.

Lu Tailai Criticizes Protectionism at UN Meeting

OW2103063291 Beijing XINHUA in English
0118 GMT 21 Mar 91

[Text] Geneva, March 20 (XINHUA)—Protectionism and structural adjustment, a subject concerned by most developing countries, has been debated in the last few days at a meeting of the Trade and Development Board of the United Nations Conference on Trade and Development (UNCTAD) and protectionist measures in major developed countries have been under strong attack.

Delegates from developing countries claimed that the slow-down of growth in world trade and output during the 1980's, in particular in developing countries, was largely attributable to the resurgence and intensification of protectionism in developed countries.

Representatives of developed countries insisted, however, that the responsibility for protectionist pressures should not be assigned exclusively to developed countries.

Indrajit Singh Chada of India, speaking on behalf of the Group of 77 developing countries (which now includes more than 120 countries), said the discriminatory trend against developing countries in both tariff and non-tariff barriers was evident and could be worsened by new developments like free trade agreements among developed market-economy countries and granting preferential status to countries in Eastern Europe. "The erosion of existing preferences and trade diversion at the expense of the developing countries has to be offset urgently," he said.

According to a recent UNCTAD report, trade distorting measures in developed countries caused a loss of some 4.6 billion U.S. dollars to developing countries' export in 1988, representing 18 percent of their current exports to the restraining countries.

Chinese delegate, Lu Tailai, complained that China had suffered a lot from trade protectionism, especially from non-tariff barriers. He said Chinese products were subjected to even harsher limitations in the markets of certain developed countries.

He pointed out that the developed countries had failed to adequately respond to the trade liberalisation measures taken by developing countries and that trade actions by developed countries against developing countries had continued to increase particularly in sectors where the latter had gained comparative advantages.

Ruth Flint of Switzerland, speaking on behalf of developed countries, said that the slowdown in growth in world trade should not be dramatized, as a strong upward trend could not continue indefinitely. He said

the developed countries had resisted attempts to introduce protectionist measures that would be detrimental to the expansion of world trade and contrary to a sound market-oriented trading system, and would continue to make efforts at home for structural adjustment.

After the general debate, the Group of 77 introduced a resolution for the consideration of the board. The draft resolution called upon developed countries to reduce and eliminate discriminatory and frequent tariff and nontariff measures directed against the exports of developing countries.

United States & Canada

'Special Dispatch' Views U.S. New World Order

HK2103073191 Hong Kong WEN WEI PO in Chinese
14 Mar 91 p 2

["Special dispatch from the United States" by Kuan Wen-liang (7070 2429 0081), WEN WEI PO New York-based special correspondent: "U.S. 'New World Order'"]

[Text] New York, 13 Mar (WEN WEI PO)—Before the end of the Gulf war, President Bush repeatedly mentioned the term "new world order." After the war ended, Secretary of State Baker visited the Middle East and Europe to work hard for the "new order." What on earth is this "new order," as the Bush administration calls it? What are its contents? What is its strategic blueprint? So far, the White House and the State Department have not made any concrete disclosures. But, by carefully observing various factors, such as changes in the international situation over the past two years, the problems faced by the United States itself, the process of the Gulf war, and the concept of the post Gulf war Middle East peace proposal, we can sketch the outline of the U.S. "new order."

Background Factors of the "New Order"

Regarding background factors, there are at least five items worthy of note: 1) With the disintegration of the socialist camp in East Europe, many countries are trying out capitalism and their interests are close to or in line with those of the United States. 2) The Soviet Union is bogged down in a quagmire of political and economic plight and the Gorbachev government is faced with grim political challenges and bleak prospects for economic reform. The U.S. Government and public are of the opinion that the Soviet Union has been reduced to such a second-class nation that it cannot be placed on a par with the United States. 3) The situation of confrontation between the two hegemonist powers has changed and a situation of association between regions and countries will appear. Such regional organizations, formed on the basis of economic needs, will then reach a certain degree of consensus and association politically, thereby bringing about pluralism in international politics. 4) It is an undeniable fact that the U.S. economy is on the decline. Viewed from the long-term perspective, this trend is

irreversible. 5) U.S. military might is unrivalled, being not only superior in nuclear weaponry but even more conspicuous in conventional weapons. Apparently, the Soviet Union is no match for the United States in terms of arms, as evidenced in the Gulf War.

Characteristics of U.S. "New Order"

In the past two years, there has been a major dispute in U.S. academic circles headed by Harvard and Yale Universities: One school of scholars cited a lot of evidence from the economic perspective, holding that U.S. national strength is far weaker than before and is incapable of maintaining its position leading the Western world. Another school argued that the United States, though not so powerful in terms of economic strength as in the past, still controls military science and technology about which it can take pride in the world over. Such military science and technology forms the most essential component of the national strength. Whether through arms sales in normal times or the use of military might in times of necessity to maintain its interests, the United States will be able to continue playing its role as a world leader.

The United States is the only superpower in the world in the 1990's. Its national strength is characterized by the following two factors rather than by its absolute superiority in economic terms: 1) The United States is in possession of the strongest military might, capable of launching regional attacks on a massive scale. 2) The United States has monopolized the latest science and technology and knows how to use the latest science and technology from other countries (such as Japan) to strengthen its own military power. In the past 100 years, the United States has built up its formidable military strength with its strong economy. Now, the reverse holds true. It can strive for economic interests and maintain its position as an economic superpower with the use of its strong military power. Just as a senior government official from Japan's Defense Agency said with a sigh, the U.S. military might has put off Japan's due economic influence by 15 years!

In summation of the abovementioned background conditions and characteristics of national strength, the strategic aspects of the "new order" are roughly as follows:

More Importance Is Attached to Global Interests

—To safeguard U.S. global interests: Supporting the economy with military force inevitably involves other regions in the world and the United States has more apparently derived its economic interests from abroad. In recent years, the growth rate of profits of big U.S. enterprises in foreign countries has apparently exceeded that in domestic markets. Despite an economic recession in the country, there is still a boom in the manufacturing sector's exports; big corporations have "openly grabbed" contracts for Kuwait's reconstruction; the United States is marketing science, technology, and products in Southeast Asia by resorting to political pressure.... All these facts show that, first, the U.S.

economy is inclined to rely heavily on its interests abroad and, second, U.S. politics and its economy are integrating more closely all over the world.

- To deploy close allies in various regions: Due to the weakening of Soviet influence, the United States needs to readjust its global strategic deployment. The United States has divided the world into a number of regions and strived to selectively win over individual pro-American countries in each region and seek consensus economically, politically, and militarily, in order to safeguard and expand the U.S. interests in the region through their voices and actions. These countries are England in Europe, Israel and Saudi Arabia in the Middle East, Japan in the Far East, Indonesia and Thailand in Southeast Asia, Mexico in Central America.... This cannot be easily achieved as each region has its complexities and each country has its own particularities, making it very difficult to fall in line entirely with U.S. interests. But, from the perspective of deployment, it is indeed necessary for the United States to strive for one or two allies in each region having roughly identical interests and carrying a certain weight.

Two Models of Regional Order

- The two models of regional "new order" are as follows: In regions where the United States has superiority, as in the Middle East and Central America now, the United States will take close allies as the nucleus, strive to win over the "middle forces," and isolate countries hostile to U.S. interests. The second model is more suitably carried out in regions where the United States has not yet achieved superiority. In an attempt to establish a balance of power in a region, the United States plays the role of a balancer in order to maintain its interests within the region. Southeast Asia obviously belongs to the latter category. Noting the withdrawal of Soviet influence in Southeast Asia, Washington intends to establish diplomatic relations with Hanoi and is therefore anxious to resolve the Cambodian issue. The State Department explicitly expressed its opposition to the establishment of any regional economic organizations in the West Pacific region which exclude the United States, although the United States recently signed the North America Free Economic and Trade Agreement with Canada and Mexico.
- To maintain the "new order" with public opinion and military force: When necessary, the United States will unite with its close allies in a region to intervene in regional politics through international organizations (such as regional treaty members or the United Nations) and will not hesitate to use military force to protect its own interests in the name of "maintaining order."

The aforesaid aspects of the "new order" are not new tricks in the history of international relations. The Bush administration's strategic deployment and concept are an arrangement made with the U.S. national interests as the starting point in the wake of the upset of the old international order.

Whether or not the U.S. "new order" can be realized is something for us to wait and see.

Soviet Union

Tong Zhiguang, Kachanov Sign Trade Protocol

OW2103090291 Beijing XINHUA in English
0850 GMT 21 Mar 91

[Text] Beijing, March 21 (XINHUA)—China and the Soviet Union signed a protocol on economic cooperation and trade for the year 1991 here today.

This is the first trade protocol signed by the two countries after the two-way trade switched from the old clearing agreement trade to cash trade not long ago.

A Chinese Foreign Trade official said that the protocol will play a positive role in promoting economic cooperation and trade between the two neighboring countries.

Tong Zhiguang, Chinese deputy minister of Foreign Economic Relations and Trade, and A. Kachanov, Soviet first deputy minister of foreign economic relations, signed the protocol on behalf of their respective governments.

Northeast Asia

Qi Huaiyuan Participates in Japanese Consultations

Talks With Nakayama

OW2003045091 Tokyo KYODO in English 0344 GMT
20 Mar 91

[Text] Tokyo, March 20 KYODO—Foreign Minister Taro Nakayama said Wednesday he wants to visit China "as early as possible in April," according to Foreign Ministry officials.

Officials said Nakayama made the remarks in a meeting with Chinese Vice Foreign Minister Qi Huaiyuan, who arrived in Japan on Monday to participate in a session of regular consultations between the Chinese and Japanese foreign ministries.

Nakayama was quoted as telling Qi that he looks forward to meeting again with Chinese Foreign Minister Qian Qichen. The two previously met last fall in New York.

Nakayama's remarks followed Prime Minister Toshiki Kaifu's message to Chinese Premier Li Peng last Friday, in which he told the premier he would be sending Nakayama to Beijing to lay the groundwork for his own visit there.

Kaifu's first ever visit to China as Japan's leader is expected to take place shortly after the Diet, or Japanese parliament, winds up its current session May 8.

But officials said Nakayama's visit to China remains conditional on the Diet's granting of permission.

Diplomatic affairs are now high on the agenda of the Diet in the wake of the Persian Gulf war and ahead of Soviet President Mikhail Gorbachev's visit to Tokyo on April 16.

Last week Nakayama said he also wants to visit Vietnam, but officials said his tight schedule would not permit him to make the trip at the same time as the China visit.

Qi, the most senior of China's four vice foreign ministers, told Nakayama of his country's appreciation for Japanese efforts since last year to promote bilateral relations.

He added that China looks to Nakayama's early visit as an opportunity to further repair and promote the bilateral ties.

Relations between the two countries were strained in the aftermath of China's June 1989 military crackdown on the pro-democracy movement, but Japan has begun resuming economic assistance and high-level contacts.

After the talks with Nakayama, Qi entered into a full day of consultations with Deputy Foreign Minister Hisashi Owada on bilateral and international affairs. The last such meeting was held in April 1990.

Qi will leave Japan on Friday after visiting Osaka in western Japan.

Shares Views With Counterpart

OW2003155191 Beijing XINHUA in English
1524 GMT 20 Mar 91

[Text] Tokyo, March 20 (XINHUA)—Chinese Deputy Foreign Minister Qi Huaiyuan and his Japanese counterpart Hisashi Owada agreed today that maintenance and development of Sino-Japanese friendship will be conducive to peace and stability in Asia-Pacific region as well as the whole world.

The agreement was reached here today at the 11th session of regular consultations between the Chinese and Japanese Foreign Ministries, Chinese Embassy sources said.

Qi and Owada exchanged views on bilateral ties and international affairs in a friendly and cordial atmosphere at the meeting, the sources said.

The two sides also agreed to handle problems in line with the spirit of the joint statement signed between the two governments in 1972 and on the basis of the principles of the Sino-Japanese Friendship Treaty.

Japanese Foreign Minister Taro Nakayama said he hopes to visit China as early as possible in April when meeting with Qi earlier in the day.

Qi told Nakayama that China appreciates Japanese efforts since last year to promote bilateral relations, and welcomes Nakayama's visit to China.

Li Lanqing Receives Japanese Trade Minister

OW2103105991 Beijing XINHUA in English
1041 GMT 21 Mar 91

[Text] Beijing, March 21 (XINHUA)—Li Lanqing, Chinese minister of foreign economic relations and trade, met here this afternoon with Eiichi Nakao, Japanese minister of International Trade and Industry.

Eiichi Nakao arrived here earlier today upon Li's invitation. He is scheduled to meet Chinese top officials during his four-day visit and they will exchange views on the issues concerning economic and trade relations between the two countries.

During the meeting, Li said that Eiichi's visit to China would further promote the bilateral economic relations.

Li will hold talks with Eiichi tomorrow, it was learned.

PLA Delegation Departs Mongolia 19 March

OW2103113991 Beijing XINHUA Domestic Service
in Chinese 1419 GMT 19 Mar 91

[By reporter Bataercang (1572 1044 1422 0221)]

[Text] Ulaanbaatar, 19 Mar (XINHUA)—A goodwill delegation of the Chinese People's Liberation Army [PLA] headed by Major General Xi Congzhou, commander of the PLA Inner Mongolia Military District, left Mongolia for home on 19 March after concluding a visit to Mongolia.

The delegation was invited to take part in activities to mark the 70th anniversary of the founding of the Mongolian People's Army [MPA]. It arrived in Ulaanbaatar on 14 March. Mongolian Defense Minister Jadambaa met with the delegation during its stay in Mongolia. The delegation also visited troops of the MPA, and was given a briefing on troop building and training. On 16 March, Xi Congzhou made a congratulatory address at the meeting held here to mark the 70th anniversary of the founding of the MPA, and was greeted with welcome by participants of the meeting.

Seeing off the delegation today at the railway station were Major General Galasang, deputy chief of General Staff of the MPA, and Colonel (Daxizeboge), deputy director of the Political Education Department of the MPA. Mao Jiayi, counselor of the Chinese Embassy in Ulaanbaatar, also saw the delegation off at the railway station.

Southeast Asia & Pacific

New Ambassador to Philippines Meets Aquino

HK2103032691 Beijing International Service
in Tagalog 1130 GMT 20 Mar 91

[Text] The new Chinese ambassador to the Philippines Huang Guifang presented his credentials to President Corazon Aquino yesterday afternoon at Malacanang. The president and the ambassador had a chat in a warm

and friendly atmosphere. Aquino declared that not just the leaders of both countries should promote friendly exchanges, but the people of both countries should do likewise. She said that Premier Li Peng's visit to the Philippines last December greatly enhanced relations between both countries, adding "she believed the friendly ties between the Philippines and China could be further strengthened."

Shen Beizhang Speaks at Australian Seminar

*OW2103014891 Beijing XINHUA in English
1837 GMT 20 Mar 91*

[Text] Shanghai, March 20 (XINHUA)—Many of Shanghai's enterprises have expressed their willingness to invest in Australia in recent years, according to Shen Beizhang, director of the Shanghai Municipal Foreign Economic Relations and Trade Committee.

Shen made this remark today at a seminar for investing in Australia, which was sponsored by the Australian Trade Commission (Austrade).

A group of 160 entrepreneurs and economists from Shanghai as well as from Jiangsu, Zhejiang, Anhui, and Jiangxi provinces held cordial discussions with the Australian representatives on the topic of investment in Australia.

The two projects for setting up Just SAIC Pty Ltd. and a fortune Chinese restaurant in Melbourne and Perth respectively, were approved by Shanghai in 1990.

In addition, eight letters expressing the intent to create textile, light industry, and food processing enterprises and farms in Australia have been signed.

Shen noted that Shanghai's 910 enterprises absorbed a total of 2.88 billion U.S. dollars of foreign investment in the past decade. He added that more than 400 of these enterprises have been put into operation.

In order to encourage Shanghai's entrepreneurs to set up enterprises in foreign countries, the municipal government has created several preferential policies.

Statistics reveal that Shanghai has established 66 non-commercial enterprises in 26 countries and regions in the past 10 years.

These enterprises cover such fields as light industry, medicine, chemicals, machine-building and electronics, aquatic production, agriculture, foodstuff processing, and textiles and clothing.

Scientific Pact Signed With New Zealand

*OW2003134991 Beijing XINHUA in English
1215 GMT 20 Mar 91*

[Text] Wellington, March 20 (XINHUA)—New Zealand and China have agreed to strengthen their academic and personnel exchanges and cooperation in specific research and development projects.

According to a memorandum signed by China's State Science and Technology Commission (SSTC) and New Zealand's Department of Scientific and Industrial Research (DSIR) here today, the research cooperation will be formulated through exchanging scientists, exchanging information on science and technology, and implementing cooperative research and development projects.

The memorandum covering the cooperative research and development activities of SSTC and DSIR for three years was signed in the spirit of the agreement between the two governments on scientific and technological cooperation initiated in March 1987.

An annex to the memorandum provides that SSTC and DSIR each agree to host up to 36 person months per year of science exchanges in areas of mutual benefit.

In an interview with XINHUA after he signed the memorandum on behalf of the SSTC, Pan Baozheng, acting director-general of the Department of International Cooperation for SSTC, said the memorandum represented another step forward in the scientific and technological cooperation between the two countries.

There is much room for further cooperation between the two countries in various fields including agriculture, horticulture and some industrial sectors.

Near East & South Asia

Kuwaiti Minister of State Arrives in Beijing

*OW2003132191 Beijing XINHUA in English
1247 GMT 20 Mar 91*

[Text] Beijing, March 20 (XINHUA)—'Abd-al-Rahman al-'Awadi, Kuwaiti minister of state for cabinet affairs, arrived here by special plane today for a visit to China.

Chinese Vice Foreign Minister Yang Fuchang and Kuwaiti Ambassador to China 'Abd al-Hamid al-Buayjan came to the airport to welcome al-'Awadi who had just wound up his visit to India.

Talks With Qian Qichen

*OW2103085391 Beijing XINHUA in English
0828 GMT 21 Mar 91*

[Text] Beijing, March 21 (XINHUA)—China treasures very much Sino-Kuwaiti friendly relations of cooperation, and will make continuous efforts to develop these relations, Chinese Foreign Minister Qian Qichen stated here today.

In talks with A.R. al-Awadi, visiting Kuwaiti minister of state for Cabinet Affairs, here this morning, Qian said the relationship between China and Kuwait have been developing smoothly and Kuwait was among the first Arab nations in the Gulf region to set up diplomatic ties with China.

According to sources at the Foreign Ministry, Qian listened with great sympathy to the visiting minister's account of the tremendous losses Kuwait has suffered since the Iraqi invasion, and extended a warm welcome to al-'Awadi, who is the first Kuwaiti high-ranking official to visit China since Kuwait resumed its independence and sovereignty.

Qian stressed that China made its proposition clear at the very beginning of the Gulf crisis that the Iraqi invasion and annexation of Kuwait was in serious violation of international norms and was not acceptable.

Fortunately, he went on, Kuwait has restored its independence and sovereignty through efforts made by the international community.

He noted that China is very sympathetic with Kuwait about the difficulties it is now facing. "China will continue to stand shoulder to shoulder with Kuwait in this difficult period and to support Kuwait in seeking its legal rights at the UN Security Council," he added.

Speaking of bilateral economic cooperation and the post-war reconstruction of Kuwait, Qian stated, "Sino-Kuwaiti economic cooperation has a long history, and we will do what we can for Kuwait's reconstruction in accordance with its needs."

Al-'Awadi said his China tour has been undertaken on the 20th anniversary of the establishment of diplomatic ties between Kuwait and China and at a time when Kuwait has just regained its freedom. This illustrates the very friendly relations between the two countries, he said.

Kuwait has developed a very special friendly feeling toward China, he went on, for China, as an ancient nation, has always supported peace. He expressed the hope for further development of the solid ties between the two countries.

Al-'Awadi noted that Chinese companies had had a good reputation for their participation in Kuwait's construction in the past. He said he hoped China would continue to render cooperation and maintain its good tradition by helping Kuwait carry out capital reconstruction and overcome difficulties.

He denounced Iraq's acts of invasion and requested that China would support Kuwait's demand at the UN Security Council for restoring its legal rights after the war.

Al-'Awadi arrived here yesterday.

Sub-Saharan Africa

Li Peng Urges S. Africa To Speed Up Reform

OW2103081191 Beijing XINHUA in English
0745 GMT 21 Mar 91

[Text] Beijing, March 21 (XINHUA)—Chinese Premier Li Peng Thursday called on South African President

F.W. de Klerk to speed up its steps to abolish the basic apartheid legislations in the country.

In his message of solidarity to the U.N. Special Committee Against Apartheid, Li Peng said that on the occasion of the international day for the elimination of racial discrimination of the United Nations, he and his government and people are happy to note the positive changes taken place in South Africa since last year.

"The move deserves welcome," the Chinese premier said, stressing that President de Klerk's proposal to abolish the basic apartheid legislations needs to "be translated into practice and his promise to remove obstacles to constitutional negotiations has not been fully honoured."

So he called on the international community to continue its efforts in forcing the South African authorities to honour their promises at the earliest possible date by thoroughly abolishing the apartheid system and speeding up the process of a political settlement of the South African question.

West Europe

Li Peng Meets Spanish Entrepreneur Delegation

OW2003153591 Beijing XINHUA in English
1513 GMT 20 Mar 91

[Text] Beijing, March 20 (XINHUA)—China is willing to develop economic, trade and technological cooperation with Spain on the basis of equality and mutual benefit, Premier Li Peng told a group of Spanish entrepreneurs here this afternoon.

In a meeting with the 28-member Spanish entrepreneur delegation led by J.M. Cuevas, president of Spanish Federation of Entrepreneur Association, Li said China will broaden its cooperation with foreign countries in the technological and monetary fields as it further implements its reform and open policy.

Li described the Spanish entrepreneur delegation, the largest to visit China since the two countries established diplomatic relations, as "an ambassador of friendship," and welcomed Spanish industrial circles to compete for Sino-foreign cooperation projects.

He stressed that competing ability includes loans of preferential conditions, products at reasonable price, on-time shipment and excellent after-sale service.

On Sino-Spanish relations, Li said the two countries' political relations are good.

The foreign ministers of two countries have exchanged visits since the European Community decided to restore relations with China last year.

Li expressed his hope that mutual high level visits between the two countries will be furthered.

He said that he believes that with joint efforts, the cooperation between the two countries will develop in every field.

The premier briefed his guests on the basic idea of China's 10-year outline for economic development.

He emphasized that China's objective to increase its economy by six percent annually can be realized.

Li stressed that agriculture is still high on China's economic development agenda, adding that China will build more than 10 chemical fertilizer factories and greatly expand its ethylene industry in the next decade in order to modernize its agriculture.

China's economic development will also focus on energy, transportation, communications and the raw and processed material industry, according to Li.

Cuevas told Li that Spanish entrepreneurs concern themselves with China's economic development and are willing to cooperate with China in its construction projects.

He said that Spanish industrial circles support the Spanish Government in its effort to improve and develop the two countries' relations.

The Spanish delegation is here as the guest of the China Council for the Promotion of International Trade (CCPIT).

CCPIT President Zheng Hongye and Chemical Industry Minister Gu Xiulian attended the meeting.

Latin America & Caribbean

Air Force Commander Leaves for Chile, Peru

*OW2103115991 Beijing XINHUA in English
1044 GMT 21 Mar 91*

[Text] Beijing, March 21 (XINHUA)—General Wang Hai, commander of the Air Force of the Chinese People's Liberation Army, and his party left here by air today for an official goodwill visit to Chile and Peru.

They have been invited by General Ferando Matthei Aubel, commander of the Air Force of Chile, and General Arnaldo Velarde Romerez, commanding general of the Air Force of Peru.

Political & Social

Further Reportage on NPC Standing Committee

Beijing Radio Comments

OW2103073591 Beijing Domestic Service
in Mandarin 1030 GMT 19 Mar 91

[From the "National Hookup" program]

[Text] The 19th Meeting of the Seventh National People's Congress [NPC] Standing Committee opened at the Great Hall of the People this morning. The main task of the two-day meeting is to make preparations for the coming Fourth Session of the Seventh NPC. The meeting was presided over by Wan Li, chairman of the NPC Standing Committee.

Wan Li said: According to the agenda proposed by a chairmanship meeting after consideration, this meeting will deliberate the draft agenda for the Fourth Session of the Seventh NPC and the draft namelist of its presidium and secretary general, which are to be submitted to the preparatory meeting for the Fourth Session of the Seventh NPC for examination or election; it will deliberate the draft report on the work of the NPC Standing Committee, which is to be submitted to the Fourth Session of the Seventh NPC for examination; and it will deliberate the Credentials Committee's report on the credentials of the by-elected deputies to the Seventh NPC and decide on the namelist of nonvoting personnel to be invited to the Fourth Session of Seventh NPC.

Members of the NPC Standing Committee first approved the agenda for this meeting.

The meeting distributed the draft agenda for the Fourth Session of the Seventh NPC and the draft report on the work of the NPC Standing Committee for deliberation by members of the NPC Standing Committee.

After hearing an explanation by Vice Chairman Peng Chong on the draft namelist of the presidium and secretary general of the Fourth Session of the Seventh NPC, the meeting distributed the draft for deliberation by members of the NPC Standing Committee.

At the meeting, Ni Zhifu, vice chairman of the NPC Standing Committee and chairman of the Credentials Committee, made a report on the credentials of the by-elected deputies to the Seventh NPC. Ni Zhifu said: There should be 2,978 deputies to the Seventh NPC, and the actual number of deputies was 2,954 at the time of the last Standing Committee Meeting. Twenty-four vacancies were to be filled through by-elections by the electoral units concerned. So far four new deputies have been elected. They are (Shen Cuihua) from Heilongjiang, Wu Bangguo from Shanghai, (Zeng Jianzi) from Guangdong, and (Huang Baoyao) from Guangxi. After examining their credentials, the Credentials Committee confirmed their validity.

Ni Zhifu said: Recently, one deputy passed away, and two deputies, Tao Chenglin from Heilongjiang and Liu Siqian from Henan, were recalled.

He said: At the time of this Standing Committee Meeting, 22 vacancies are still being filled through by-elections by the electoral units concerned.

The meeting also distributed the draft namelist of non-voting personnel to be invited to the Fourth Session of the Seventh NPC for deliberation by members of the Standing Committee.

Other vice chairmen of the NPC Standing Committee attending the meeting were: Ngapoi Ngawang Jigme, Saypidin Aze, Yan Jici, Rong Yiren, Ye Fei, Liao Han-sheng, Chen Muhua, Fei Xiaotong, Sun Qimeng, Lei Jieqiong, and Wang Hanbin.

Present at the meeting as observers were Chen Junsheng, state councillor; Ren Jianxin, president of the Supreme People's Court; and Liu Fuzhi, procurator general of the Supreme People's Procuratorate.

Bulletin on New Deputies

OW2103110591 Beijing XINHUA Domestic Service
in Chinese 0906 GMT 20 Mar 91

[Bulletin of the Standing Committee of the Seventh National People's Congress]

[Text] Beijing, 20 Mar (XINHUA)—The number of deputies to the Seventh National People's Congress [NPC] should be 2,978; however, there were only 2,954 deputies at the time of the 18th Session of the Seventh NPC Standing Committee. Therefore, 24 new deputies are yet to be elected. According to reports by concerned election units, since the 18th Session of the Seventh NPC Standing Committee, one deputy has been recalled—Henan's Liu Siqian (female); and one deputy has passed away—Heilongjiang's Tao Chenglin (of the Manchu nationality).

So far, four new deputies have been elected; they are Heilongjiang's Shen Cuihua [3088 5488 5478], Shanghai's Wu Bangguo [0702 6721 09480], Guangdong's Zeng Xianzi [2582 2009 2737], and Guangxi's Huang Baoyao [7806 0202 1031] (of the Zhuang nationality). The NPC Standing Committee endorsed the Credentials Committee's report on the examination of the credentials of the four new deputies and affirmed their eligibility to the Seventh NPC. Their election is hereby announced.

Now, the Seventh NPC has 2,956 deputies; 22 deputies are to be elected by election units concerned. The Seventh NPC Standing Committee 20 March 1991

Committee Meeting Closes

OW2003133291 Beijing XINHUA Domestic Service
in Chinese 0917 GMT 20 Mar 91

[Text] Beijing, 20 Mar (XINHUA)—The 19th meeting of the Standing Committee of the Seventh National People's Congress [NPC] concluded this afternoon at the

Great Hall of the People. Addressing the meeting, Chairman Wan Li called for efforts to make the coming Fourth Session of the Seventh NPC a meeting for comrades to unite as one and struggle hard for political stability and economic prosperity and for the smooth implementation of the 10-Year Program and the Eighth Five-Year Plan.

The meeting was presided over by Wan Li.

After voting, the meeting decided that the draft agenda for the Fourth Session of the Seventh NPC be submitted to the preparatory meeting of that session for examination and approval. A decision was also adopted to submit the draft namelists of nominees for the presidium and the secretary general of the Fourth Session of the Seventh NPC to the preparatory meeting for voting.

The meeting passed in principle the NPC Standing Committee's work report. After the conclusion of this meeting, under the auspices of the secretary general, the report will be revised in line with the suggestions made by the members. Then, it will be examined and finalized at a chairmanship meeting and submitted to the Fourth Session of the Seventh NPC for deliberation.

Today's meeting approved a report on the examination of credentials of supplementary deputies submitted by Ni Zhifu, chairman of the Credentials Committee. The report stated: The Seventh NPC should have 2,978 deputies. As of the 18th meeting of the Standing Committee of the Seventh NPC, the actual number of deputies was 2,954—that is, 24 deputies should be elected by the pertinent electoral units to fill the vacancies. Up to now, four deputies have been elected. After examination, the Credentials Committee confirmed the validity of their credentials. The report said: Recently, one deputy passed away, and another one was recalled. At the time of the 19th meeting of the NPC Standing Committee, there are a total of 2,956 deputies of the Seventh NPC, leaving 22 vacancies to be filled by deputies elected by the pertinent electoral units.

In accordance with the NPC's rules of procedure, the meeting drew up a namelist of observers to attend the Fourth Session of the Seventh NPC. Included in the namelist are personnel of the State Council, members of the Seventh National Committee of the Chinese People's Political Consultative Conference [CPPCC], deputy secretaries general of the NPC Standing Committee, vice chairmen of the Legislative Affairs Commission of the NPC Standing Committee, vice presidents of the Supreme People's Court, deputy procurators general of the Supreme People's Procuratorate, principal responsible persons of organs directly under the CPC Central Committee, deputy secretaries general of the State Council, responsible persons of the pertinent departments of the State Council, deputy secretaries general of the National Committee of the CPPCC, principal responsible persons of the pertinent department of the People's Liberation Army, and principal responsible persons of the Armed Police Force.

In addition, the meeting approved personnel appointments and removals: Approval was given to remove Qin Jie from the post of the chief procurator of the Jiangsu Provincial People's Procuratorate and to appoint Wang Jun [3769 7486] as chief procurator of the Guangdong Provincial People's Procuratorate. In addition, the meeting appointed Chen Guoqiang [7115 0948 1730] as a member of the NPC Financial and Economic Committee.

Vice chairmen attending the meeting were Peng Chong, Ngapoi Ngawang Jigme, Seypidin Aizezi, Yan Jici, Rong Yiren, Ye Fei, Liao Hansheng, Ni Zhifu, Chen Muhua, Fei Xiaotong, Sun Qimeng, Lei Jieqiong, and Wang Hanbin.

Among those present at the meeting as observers were Wang Fang, state councillor; Ren Jianxin, president of the Supreme People's Court; and Liu Fuzhi, procurator general of the Supreme People's Procuratorate.

Keynote To Emphasize Opening Up

*HK2103033391 Hong Kong WEN WEI PO in Chinese
21 Mar 91 p 2*

[Report by staff reporter Chen Chien-ping (7115 1696 1627): "NPC Meeting's Keynote Is To Further Promote Reform and Opening Up"]

[Text] Beijing, 20 Mar—According to sources, the keynote of the soon-to-be-held Fourth Plenum of the Seventh National People's Congress [NPC] will be the further promotion of reform and opening up. The CPC's top hierarchy is very determined about this and has already completed a series of arrangements and preliminary work.

The sources said that all speeches made by top CPC officials during their recent visits to the grass roots dealt primarily with two issues—namely, the need to further increase the amount of reform and opening up to spur implementation of the "Eighth Five-Year Plan"; second, the need for wholehearted efforts in economic construction. Recently, the CPC top hierarchy has repeatedly stressed the following view: Given the complex international situation at present, the gains made in the past decade of reform and opening up constitute the key to the fact that China's Four Cardinal Principles remain tenable and constant. It is precisely for this reason that ways must be found to consolidate and develop the fruits of the reform and opening up.

The sources revealed that this NPC meeting will be a conference of greater openness. Aside from more initiative and openness regarding arranging interviews with Chinese and foreign reporters, two major press conferences for Chinese and foreign journalists will be held during the meeting: One will be a special press conference by State Council Premier Li Peng who will expound the Chinese Government's positions, attitudes, and views on major issues both at home and abroad; the other will be a special press conference by Foreign Minister Qian Qichen, who will speak primarily about China's foreign policy.

In addition, two other important press conferences for Chinese and foreign reporters have also been arranged. One will be presided over by Chen Jinhua, minister of the State Commission for Restructuring Economy. In view of the many opinions which have been raised recently both at home and abroad on how the next step in China's economic structural reform should be taken, holding this press conference will answer many of the questions in this area. The other press conference will be held by Li Lanqing, minister of foreign economic relations and trade, who will discuss primarily issues connected to feedback received following the publication of the new plan for reform of the foreign trade structure.

Members of CPPCC National Committee Elected

OW2103103791 Beijing XINHUA Domestic Service
in Chinese 1237 GMT 19 Mar 91

[Text] Beijing, 19 March (XINHUA)—The namelist of additional members to the Fourth Session of the Seventh National Committee of the Chinese People's Political Consultative Conference [CPPCC]:

(Adopted at the 13th Session of the Standing Committee of the Seventh CPPCC National Committee on 19 March 1991):

Wang Zhitai [3769 0037 3141], Wang Tongyi [3769 0681 0310], Wang Hengfeng [3769 1854 0023], Mao Zhaoxi [3029 2507 2530], Fang Dingfei [2455 1353 5481], Ye Xuanping, Tian Jian, Zhu Shanqing, Li Moan [2621 7817 1658], Wu Haode [0702 6275 1795], He Xin [0149 2450], Zhang Kan [1728 0170], Zhang Tienan [1728 6993 3948] (female), Zhang Qingde [1728 3237 1795], Ajia Luosangtudan jiumeijiacao [7093 0857 5012 2718 0956 2481 0036 5019 0857 2238], Chen Rixin [7115 2480 2450], Chen Keji [7115 0668 0370], Shao Hua [6730 5478] (female), Patiman Jiakulin [1584 2251 2581 6328 1655 2651] (female), Zhou Guangchun [0719 0342 2504], Hu Zhifeng [5170 5347 7364] (female), Hu Yizhou, Shi Jiaming [2457 0857 2494], Xu Yinghan [1776 5391 0698], Ling Yuxun [0407 3022 8113], Gao Chao, Gao Tiaohua [7559 5378 5478] (female), Guo Dongpo, Mei Baojiu [2734 5508 3773], Gong Zhendong [7895 2182 2767], Jiang Minkuan, Cai Zhenxing [5591 2182 5281], Cai Mingxi [5591 6900 3588], Jiala Jiangze [0857 2139 7100 3419].

Additional Vice Chairmen, Members

OW2103103891 Beijing XINHUA Domestic Service
in Chinese 1140 GMT 19 Mar 91

[Text] Beijing, 19 Mar (XINHUA)—Namelist of additional vice chairmen and members of some special committees of the Seventh National Committee of the Chinese People's Political Consultative Conference [CPPCC] (adopted by the 13th Session of the Seventh National Committee of the CPPCC on 19 March 1991):

Additional personnel:

Yan Ying [2799 4481], vice chairman of the Economy Committee;

Wu Qingtong [0702 1987 1749], vice chairman of the Law Committee;

Wang Qingshu [3769 1987 3219], vice chairman of the Women and Youth Committee;

Qiu Guoyi [6726 0948 5030], Yang Chen [2799 3819], and Bao Qichen [7637 1142 6591], members of the Motions Committee;

Zhang Ziyi [1728 1311 0308], Huang Shu [7806 2873], and Wang Yuzhao [3769 6735 2507], members of the Economy Committee;

Fan Gongjie [2868 1872 rare character with no STC available], and Wu Zuqiang [0702 4371 1730], members of the Education and Culture Committee;

Sun Jiadong [1327 1367 2767], Xia Guozhi [1115 0948 3112], and Tao Dinglai [7118 7844 0171], members of the Science and Technology Committee;

Lu Cui [7120 3862], member of the Women and Youth Committee; and

Qiu Qingming [6726 1987 6900], member of the Overseas Chinese Committee.

Democratic League Dismisses Qian Jiaju, Fan Zeng

OW2003143391 Beijing XINHUA Domestic Service
in Chinese 0901 GMT 20 Mar 91

[Text] Beijing, 20 Mar (XINHUA)—The China Democratic League held the 12th meeting of the Standing Committee of its Central Committee on 20 March in Beijing. Addressing the meeting, Fei Xiaotong, chairman of the Central Committee of the China Democratic League, said: We are holding this meeting on the eve of the Fourth Session of the Seventh National People's Congress and the Fourth Session of the Seventh National Committee of the Chinese People's Political Consultative Conference. We hope that the China Democratic League members attending these two sessions will seriously examine and discuss the outlines of the 10-Year Program and the Eighth Five-Year Plan for national economic and social development and submit positive and constructive opinions and suggestions for their smooth implementation.

After the outlines are adopted, the meeting urged, organizations of the China Democratic League at all levels should organize their members to study the outlines seriously and strive to put the outlines into practice so as to constantly contribute their part to achieving the second-step strategic objective of the socialist modernization program and play a positive role in the administration and discussion of state affairs. The meeting called on all members of the China Democratic League to rally closely around the CPC Central Committee with Comrade Jiang Zemin as the nucleus and

strive to make new contributions to upholding and perfecting the CPC-led multiparty cooperation and political consultation systems and building socialism with Chinese characteristics.

In view of the serious violation of the "China Democratic League Constitution" by Qian Jiaju and Fan Zeng, the meeting decided, in accordance with the relevant provisions of Article 36 of the Constitution, that Qian Jiaju be dismissed from the posts of vice chairman of the league's Central Committee and member of the Standing Committee of the league's Central Committee as well as other posts to which he was appointed by the Standing Committee, and that Fan Zeng be dismissed from the post of member of the league's Central Committee and other posts to which he was appointed by the Standing Committee of the league's Central Committee. The meeting also decided to expel Fan Zeng from the league.

The meeting was chaired by Qian Weichang, vice chairman of the Central Committee of the China Democratic League. Among those attending the meeting were vice chairmen Gao Tian, Tan Jiazhen, Tao Dayong, Luo Hanxian, Ma Dayou, Feng Zhijun, Ding Shisun, Kong Lingren, and Xie Songkai. Present as observers were Su Buqing, chairman, and Feng Suta, Li Wenyi, Lin Hengyuan, and Wen Jiasi, vice chairmen of the Central Advisory Committee of the China Democratic League.

'Pen Talk' Article Lauds Mao Zedong Thought

HK2103071191 Beijing RENMIN RIBAO in Chinese
15 Mar 91 p 5

["Pen Talk" under the heading "Only Socialism Can Develop China" by Yong Tao (7167 3447), Wuhan University professor: "Mao Zedong Thought Is the Banner in Building Socialism with Chinese Characteristics"]

[Text] For quite some time now, some people have negated Marxism and Mao Zedong Thought; in particular, they have used Comrade Mao Zedong's mistakes in his old age to negate Mao Zedong Thought. They would only recognize the guiding role of Mao Zedong Thought in the Chinese Democratic Revolution but not in the reform, opening up, and socialist construction. They even proposed the extremely absurd view that unless Mao Zedong is abandoned and Mao Zedong Thought totally negated, the reform and opening up will have no realistic meaning.

Facts show that the communist movement in any one country would ordinarily not only need Marxism but, more especially, it would need a Marxism that is integrated with the practical conditions of that country. Only this kind of ingenious Marxism can serve as a direct and concrete guiding ideology for the country's revolution. Mao Zedong Thought was the product of the integration of Marxism with the concrete conditions of China's revolution. It is sinicized Marxism and is the direct and concrete guiding ideology of our party. Its guiding role has already been proven by the historical fact of China's revolution and construction.

First of all, the new democratic revolution and socialist revolution were the first and second parts of this great undertaking, the entire Chinese revolutionary movement, led by the CPC. Part one is the necessary prerequisite for part two, while part two is the necessary outcome of part one. The direct future of the new democratic revolution was the socialist revolution and construction. Therefore, Mao Zedong Thought concerns not only the theory and strategy of the new democratic revolution, but also the theory and strategy of the socialist revolution and construction. It can be said that Mao Zedong Thought is, in effect, a doctrine on how to build socialism and realize communism without going through capitalism, in a backward Asian country like China. Consequently, its guiding role in China's democratic revolution is inseparable from its guiding role in socialist construction.

Second, the scientific thinking and working methods provided by Mao Zedong Thought, and the many ideas and theories proposed by Comrade Mao Zedong during the socialist period, continue to exert a direct guiding impact on the reform, opening up, and socialist modernization and construction we are carrying out today. For instance, his ideas—that only socialism can save China, that our basic task at the moment is to protect and develop the productive forces and correctly handle the relationship between agriculture, light industry, and heavy industry, take the Chinese path of industrialization, and achieve the goals of modernization in industry, agriculture, national defense, and science and technology—have pointed out the socialist direction for the development of our society. The idea about "self-reliance being the key feature and foreign assistance as a supplement" has provided us with the correct guideline on opening up to the outside world. He also linked the function of the people's democratic dictatorship with the solution of the two different kinds of social contradictions and defined as the principal theme of the country's political life, the correct handling of internal contradictions among the people to attain political and social stability, create an excellent environment for reform, opening up, and modernization endeavors, and to provide an important guarantee, among other things. To pit Mao Zedong Thought against the reform and opening up and the modernization endeavors, and to maintain that it is outdated will only cause the reform and opening up and the modernization endeavors to deviate from Mao Zedong Thought and from the socialist direction and turn onto the evil path of capitalism.

Indeed, Comrade Mao Zedong committed serious mistakes in his old age which inflicted losses on the socialist cause, but his mistakes in his old age should be approached with a scientific attitude. Generally speaking, his mistakes were those committed in the course of probing for a socialist path for China. His raising of the slogan "class struggle as the key" and launching the "Cultural Revolution" were extremely wrong; however, his ideas about: The protracted existence of class struggle, emphasis on the importance of

ideological and political work, and upholding the socialist ideological front; the need to pay special attention to the question of ties with the people and to allow people the right to manage affairs of the state and enterprises and in the cultural and educational fields; the need to overcome the dark sides existing inside the life of the party and the state and to prevent a "peaceful evolution" leading China to capitalism; socialism being a lengthy historical period which must go through the two stages of "underdeveloped socialism" to "fairly developed socialism"; and that in a populous socialist country like China, management of affairs and solution of problems should be carried out with proper consideration for all people, attention should be paid to social fairness, polarization prevented and, the initiative of everyone mobilized—these are undoubtedly all very incisive.

Mao Zedong Thought is the crystallization of the collective wisdom of the Chinese Communists. It is a body of thinking which is being developed constantly. Hence, Mao Zedong Thought should not be negated simply because of the mistakes committed by Comrade Mao Zedong himself in his old age. Mao Zedong Thought is not only a banner that guided the Chinese Democratic Revolution to victory but it is also the banner that guides us in our building of socialism with Chinese characteristics. With its strong vitality, Mao Zedong Thought will definitely continue to guide our people in scoring even greater victories in the endeavour to build socialism with Chinese characteristics.

Editorial Stresses Close Ties With Masses

HK2103020591 Beijing RENMIN RIBAO in Chinese
14 Mar 91 pp 1, 4

[Editorial: "Maintain Close Ties With the Masses, Realize the Magnificent Goals"]

[Text] It has been a year since the Sixth Plenum of the 13th CPC Central Committee adopted the "Decision by the CPC Central Committee on Strengthening the Ties Between the Party and the Masses". Over the past year, party organizations at all levels have worked hard to improve their style of work and maintain close ties with the masses and gratifying progress has been made.

At present, the whole party is conscientiously studying and implementing the "Proposals by the CPC Central Committee for Formulating the 10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development" adopted by the Seventh Plenum of the 13th CPC Central Committee. Party organizations at all levels and party member leading cadres should closely combine the study and implementation of the "Decision" with those of the "Proposals."

In terms of thinking style, strengthening the ties between the party and the masses means that party members and cadres, and leading cadres in particular, must be honest in performing their official duties, share the comforts and hardships of the broad masses, and serve the people

wholeheartedly. In the course of work, they must adhere to the work line of 'from the masses, to the masses.' The most fundamental substance of strengthening the ties between the party and the masses is to earnestly and comprehensively carry out the party's basic line and firmly follow the road of building socialism with Chinese characteristics. At present, we must organize and mobilize the broad masses to fulfill the 10-Year Program and the Eighth Five-Year Plan for national economic and social development and strive for the realization of the second phase of the strategic objective of modernization. This is because the basic interests of the whole nation lie in the fulfillment of this task. After realizing this struggle objective, the overall power of our country will increase substantially, the people's livelihood will reach the level of being comparatively well-off, and our country will be more prosperous and powerful. Thus, given the ever-changing world situation and the increasingly keen economic competition, our country will be able to stride into the 21st century in a more militant manner and push the development of the socialist cause forward. For this reason, the study and implementation of the "Proposals" adopted by the Seventh Plenum of the 13th CPC Central Committee has become a key link in strengthening the ties between the party and the masses.

To realize the struggle objective put forward in the "Proposals" from the Seventh Plenum, we should sum up experiences in real earnest, add to our achievements, overcome our shortcomings, and maintain closer ties with the masses.

First, our leading cadres at all levels should further foster the mass viewpoint of Marxism and heighten the consciousness in carrying out the mass line of the party. By and large, most cadres have made marked progress in this aspect over the past year, but a few comrades still lag quite far behind. They either lack the spirit of serving the people heart and soul, the views to identify responsibility to the party with responsibility to the people, or the courage to believe in and rely upon the masses and overcome difficulties. This is not in keeping with the realization of the arduous tasks put forward in the "Proposals." To realize the struggle objective set out in the "Proposals" is a massive social systems engineering project. To make and carry out policies we must follow the mass line, attentively listen to the opinions of the masses, and take the morale and voice of the masses as a primary signal. Leading cadres should be good at making friends with workers, peasants, intellectuals, and grass-roots cadres, particularly making some intimate friends and friends who are straightforward in tendering advice. This is of great benefit to seeking truth from facts and making correct policy decisions.

We should do a better job of going down to the grass-roots units and doing practical things. Among the tasks set out by the Seventh Plenum in the "Proposals," many are directly related to the production and livelihood of the masses, which need to be fulfilled one by one. Work at the basic levels is the foundation of all work and the basic units are linked with millions of people. The

masses usually get to know our party and government, as well as our principles and policies, through daily contacts with the leaders and work in the grass-roots units.

Practice over the past year proves that going down to the grass-roots units is very good and necessary for cadres to overcome unhealthy tendencies, such as bureaucratism and formalism, and to strengthen ties with the masses. Going down to the grass-roots units is not the aim. We should conscientiously do practical things to remove the sorrows of the masses and solve their difficulties. We should follow the brilliant example of Comrade Jiao Yulu and devote ourselves entirely unto death to the interests of the people. Over the past few years, some cities and localities have persisted in proceeding from the necessity of the masses and the local reality, made overall arrangements, and handled a few practical things every year in a planned way. These have brought benefits to the people and have been welcomed by the masses. These practices should be upheld.

To study and implement the "Proposals," we must continue to enhance ideological and political work and strengthen the building of socialist spiritual civilization. We cannot say that in the past few years we have done very few good things for the masses and that they have got little real benefits; however, the ties between the party and the masses have been weakened. One of the main reasons is that ideological and political work has been relaxed and that a small handful of people advocating bourgeois liberalism have taken advantage of the opportunity to sneak in, disseminate a lot of fallacies to defame the party and socialism, disintegrate the will of the public, win over the masses, and sow dissension between the party and the masses. This profound lesson must be well remembered. Since the Fourth Plenum of the 13th CPC Central Committee, under the leadership of the party Central Committee with Comrade Jiang Zemin at its core, we have persisted in placing economic construction as the center and conscientiously done practical things for the people of the whole country. On the other hand, we have energetically stepped up ideological and political work, repudiated the ideological trend of bourgeois liberalization, armed the minds of the broad masses with socialist ideology, enhanced the centripetal and rallying force of the party, and built closer relations between the party and the masses. This dialectical materialist working method of "grasping with both hands" must be upheld.

Putting forward magnificent goals to mobilize, encourage, and unite the masses and leading them to realize the magnificent goals has always been our basic leadership method. In the course of studying and carrying out the "Proposals" from the Seventh Plenum, it is certain that restudying the "Decision" by the Sixth Plenum and maintaining closer ties with the masses will vigorously push forward the implementation of the "Proposals."

Fujian, Taiwan Friction Reported Across Strait

HK2103021991 Hong Kong SOUTH CHINA MORNING POST in English 21 Mar 91 p 10

[By Chris Yeung]

[Text] Anti-Taiwanese feelings in Fujian have blocked the early release of three Taiwanese coast guards detained in the province since March 8, according to a mainland official, Mr Wong Manfong, in Hong Kong.

The head of the Taiwan Affairs Department of the NEW CHINA NEWS AGENCY, China's de facto embassy, also denied criticisms made by Taiwanese Premier Mr Hau Pei-tsun that Beijing was "complicating" the matter and creating tension across the Strait.

"We have no intent to complicate this matter or use it as a political bargaining chip," he told the state-run Broadcasting Corporation of China.

Mr Wong, who acted as a go-between for secret talks between Red Cross officials from both sides in Hong Kong last week, explained that bureaucratic inefficiency in Fujian had delayed the release, adding that the Fujian authorities also might not be aware of the depth of anger in Taiwan over the detention.

Many Fujianese were also angered by Taiwan's policy of sending back mainland illegals who were seeking better jobs on the islands, he said.

Mr Wong added that an angry mob had surrounded the police station in Pingtan when the three Taiwan guards were taken into custody.

Saying that the three would not be freed before investigations were completed, he added that the fisherman who had seized them would be prosecuted if they were found to have acted illegally.

Mr Han Changlin, secretary-general of China's Red Cross, told Taipei's China Times Express that anti-Taiwanese passions had been inflamed in Pingtan.

He suggested that for security reasons, relatives of the three officers would not be permitted to travel to Fujian to visit them.

The paper said in another report that mainland officials had told Red Cross officials from Taipei to ease its crackdown on what is termed "seaborne trading", which Taiwan considers smuggling.

Mr Hsu Tsu-an, director of international affairs for Taipei's Red Cross, who returned to Taipei on Tuesday after inconclusive talks with mainland counterparts, said no further contacts had been made yesterday.

"The mainland Red Cross cannot make the decision. They also have to wait for instructions from the Government. We have indicated our wish for an early return," he said.

Meanwhile, key policy makers of Taiwan's ruling Kuomintang have proposed restricting the growing indirect trade between the island and the mainland for security reasons, according to KMT [Kuomintang] spokesman, Mr James Chu.

He said some members of the party's Central Standing Committee wanted a ceiling on annual trade with China to be set at 10 percent of Taiwan's overall trade.

Mr Chu said the Central Standing Committee members cautioned against the island's trade activities being too dependent on the mainland.

Beijing University's Party Leadership Strengthened

HK2003011891 Hong Kong SOUTH CHINA MORNING POST in English 20 Mar 91 p 10

[By Willy Wo-lap Lam]

[Text] Chinese authorities have reshuffled Beijing University's Communist Party leadership in a bid to strengthen control of the hotbed of intellectual dissent.

Veteran educator Miss Wang Jiali has been appointed the party secretary of the university, replacing Mr Wang Xuezheng.

Miss Wang retains her position as a vice-secretary of the party committee of Beijing's municipal government as well as head of its education commission.

Mr Hao Bin and Mr Ren Yanshen have been named respectively executive vice-secretary and vice-secretary of the university's party organisation.

Mr Hao is a veteran professor at the university while Mr Ren is Miss Wang's deputy at the municipal education commission.

University sources say it is the first time senior municipal cadres have doubled as administrators of the university.

The move is seen as an effort by Communist Party authorities to boost control over China's oldest university, whose teachers and students have played pivotal roles in democratic movements in the past decade.

Officially, Mr Wang Xuezheng, who is in his early 60s, is retiring because of his age.

But sources in the university say he has been sacked because of alleged sympathies with the student movement of 1989.

Beijing University president Mr Ding Shisun, who, like Mr Wang, is a liberal academic, was replaced by hard-line economist Mr Wu Shuqing two months after the June 4 killings.

The sources say both Mr Wang and Mr Ding accompanied student leaders, including Wuer Kaixi, in their ill-fated meeting with Prime Minister Li Peng in late May 1989.

During that session, Mr Wang had affirmed the "patriotic" nature of the student movement, and asked the Government to show consideration for their demands.

In a speech to Beijing University staff announcing the reshuffle, the vice-chairman of the State Education Commission, Mr He Dongchang, said the party and Government were propagating a new generation of teachers and administrators who were "trustworthy Marxists".

"There will be a generational change (among staffers) in the coming decade," Mr He said. "Cadres and teachers who graduated from college before the Cultural Revolution will gradually be retiring."

But the university sources say that the authorities are at the same time trying to win over intellectuals and students at the famous institution.

Mr Wang and Mr Ding have been allowed to retain their teaching and other research duties.

And While Miss Wang is expected to toe the party line about strict Marxist training for students, she is a graduate of the university and a respected educator who will be accepted by the students, the sources say.

State Council To Publish Laws on Foreign Affairs

HK1603024691 Beijing CHINA DAILY in English 16 Mar 91 p 1

[By staff reporter Li Hong]

[Text] China has made much progress in its foreign-related legislation, and is prepared to work out more such laws and regulations in order to facilitate the country's avowed effort of opening to the outside world.

To the present, date, 226 laws and regulations concerning foreign affairs and foreign nationals have been formulated since the country promulgated its first law on utilizing foreign capital in 1979.

Huang Shuhai, deputy director of the State Council's Legislative Affairs Bureau, told reporters on Thursday in Beijing that a compilation of the 226 documents—the first such a collection—will be published this year in three volumes in both Chinese and English.

Huang noted that the Chinese version takes precedence in the case of any dispute.

The 226 documents, according to Huang, are the ones remaining after the State Council has rescinded 56 laws and regulations, which were published after 1949 and considered no longer appropriate to China's current situation.

The legal documents cover 29 aspects, including foreign affairs, public security, foreign economic trade and technical co-operation, imports and exports and arbitration concerning foreigners.

Huang said that some "inside" documents, which ordinary Chinese and foreigners have never seen before, are also to be included among the 226. Their inclusion, some analysts said, means an improvement in China's promulgation of laws and regulations.

Major laws and regulations being published involve such areas as joint ventures using Chinese and foreign investment, wholly foreign-owned enterprises, offshore oil projects in co-operation with foreign partners, copyright, taxation, economic contracts, technology transfer, customs, foreign exchange control and bank credit.

In using foreign investments and conducting economic co-operation with other countries, Huang said, China has always given special attention to legislation concerning foreign economic affairs, regarding it as an important lever for improving China's investment climate.

Song Ping Inspects Zhuhai, Notes Reform

HK2003110391 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 19 Mar 91

[Text] During his inspection tour of Zhuhai City and the Zhuhai Special Economic Zone the other day, Song Ping, member of the CPC Central Committee Political Bureau Standing Committee, pointed out that reform and opening up have brought about great changes to Zhuhai in only a few years, and now Zhuhai has very bright prospects with a rapid economic development, large numbers of newly established industrial enterprises, a fairly sound investment environment, and a good living environment.

On 17 March, accompanied by provincial party Secretary Xie Fei, Zhuhai City party Secretary and Mayor Liang Guangda, and others, Comrade Song Ping inspected several places in Zhuhai City, such as the (Juhua) Polyester Lacquerware Factory, the (Xianghai) Electronics Company, the Gongbei market, Gongbei Port, a sea-harnessing project in (Huanbai), and the (Hongwan) Reclamation Area. Full of zest, he also examined Zhuhai City's urban construction and had a look around the city.

During his inspection, Comrade Song Ping earnestly listened to the work reports given by responsible persons of relevant units, and had cordial conversations with workers, engineering and technical personnel, and the masses. In the (Hongwan) Reclamation Area, Comrade Song Ping made detailed inquiries about issues concerning the reclamation of this land, which has a circumference of 15 square kilometers. There, he reaffirmed Zhuhai's practice of "five unities" on land management, considering it a good system and an experience meriting summarization and popularization in which the government imposes direct control over land, for it enables the government to reclaim capital from society, and carry out unified plans and exploitation in an easier way with fewer contradictions.

Comrade Song Ping pointed out: Zhuhai takes the lead in creating sound conditions in capital facilities for

foreign investment by practicing "seven smoothnesses and one balance." This is a very important move.

He hoped that Zhuhai could make continued efforts to scientifically map out its city planning, carry out strict urban management, and maintain the existing good environment.

Comrade Song Ping also called on Zhuhai to pay attention to the development of high-tech enterprises so as to attract domestic scientific research institutions, colleges, and universities to carry out high-technology product exploitation in Zhuhai. This can also be allied with the introduction of foreign advanced technologies in order to develop knowledge-intensive enterprises.

Chen Pixian Inspects Hubei, Hears Report

HK2003085191 Wuhan Hubei Provincial Service in Mandarin 1000 GMT 17 Mar 91

[Excerpts] Chen Pixian, member of the Central Advisory Commission Standing Committee, is making an inspection tour of Hubei. Yesterday morning, after listening to provincial party committee Secretary Guan Guangfu's work report, presented on behalf of the provincial party committee and government, he said: Since the 11th CPC Central Committee's Third Plenary Session, Hubei has made great achievements in maintaining political and social stability and promoting economic growth. I hope you will further implement the spirit of the 13th CPC Central Committee's Seventh Plenary Session and build Hubei into an economically advanced province in the Eighth Five-Year Plan and 10-year program periods.

Comrade Chen Pixian arrived in Hubei on 6 March on an observation tour. A former secretary of Hubei Provincial CPC Committee who worked in Hubei for five and a half years, he still very much concerns himself with Hubei's socialist construction. During his current visit, he inspected Huangshi City, Huanggang Prefecture, Yichang Prefecture, Xiangfan City, the Wuhan Iron and Steel Corporation, and other units. [passage omitted]

He said after the inspection: During the over eight years following my departure from Hubei, the Hubei provincial party committee and government have carried forward the cause pioneered by their predecessors, conscientiously implemented the party's principles and policies laid down since the 11th CPC Central Committee's Third Plenary Session, and guided the people of the whole province to forge ahead in unity. Hubei has changed a great deal and you have scored great successes. He was very glad to see the achievements and hoped Hubei would scale new heights in the next critical decade.

He pointed out: The achievements already scored only serve to show your past efforts. To build Hubei into an economically advanced province, you must have your eyes on the present and future. At present, Hubei is encountering great difficulties. Hubei is rich in natural

resources and enjoys many advantages and great potential. It is hoped that Hubei will rank among the economically advanced provinces if you make great efforts to tap your potential and bring your advantages into full play.

He continued: What is of primary importance is to implement the spirit of the 13th CPC Central Committee's Seventh Plenary Session. It is necessary to do a good job in developing agriculture. Agriculture, light industry, and heavy industry should be developed in a coordinated way. Agriculture constitutes the national economy's foundation. Last year, Hubei's gross grain output hit 24.5 billion kg with per capita consumption of grain being around 450 kg. Hubei also brought in another good cotton harvest last year, ending zero growth in cotton production. Aquatic products registered 1.4 billion jin last year. Hubei has become a land of plenty in reality and name.

We should take the country's interests into account when drawing up our plans. Although the peasants have difficulties in selling their grain, that does not mean China has surplus grain and it will not withstand any disturbance or trouble. Therefore we should never weaken agriculture as the national economy's foundation. Instead, we should take every measure to consolidate this foundation. Efforts should be made to readjust agricultural composition. While keeping an effective grip on grain and cotton, we should try to develop the rural economy in a comprehensive way, engage in diverse economic undertakings, and expand rural enterprises. We must make sure that peasants get payment for their grain to win the people's confidence.

It is necessary to readjust the existing economic structure. For light industry, we should readjust its structure, improve product quality, increase variety, and enhance efficiency. The practice of superior cotton changing into secondary yarn and then into inferior cloth should be rectified. Like light industry, heavy industry should have its product quality improved, varieties increased, and efficiency enhanced. At the same time, we should accelerate the technical transformation of light and heavy industrial enterprises, major and medium enterprises in particular. [passage omitted]

He pointed out: Importing advanced technology, equipment, and management expertise is an important way to update the enterprise's technology, management, and products. It is necessary to further free ourselves from old ideas, deepen our understanding of the need for reform and opening up, and hold high the banner of reform and opening up. Enterprises of three capital resources in Hubei account for a very small percentage of such enterprises throughout the country. You should be bolder and make bigger progress in absorbing foreign funds and developing enterprises of three capital resources. [passage omitted]

He emphasized: While focusing on economic construction, efforts must be made to strengthen party building and carry forward the fine revolutionary tradition. [passage omitted]

To ensure the modernization construction will proceed smoothly, we must do a good job in providing guidance and using cadres. [passage omitted]

Wang Renzhi Addresses Art, Literary Conference

HK1403125391 Beijing RENMIN RIBAO in Chinese
9 Mar 91 p 4

[Article by Wang Renzhi: "Be a New Generation of People of This and the Next Century: Speech Delivered at the Opening of the National Conference of Young Amateur Creators of Literary and Artistic Works"]

[Text] Comrades, young friends:

On behalf of the CPC's Central Propaganda Department, I would like to warmly congratulate the opening of the national conference of young amateur creators of literary and artistic works! And to greet sincerely the young amateur creators of literary and artistic works coming from the ranks of the workers, peasants, soldiers, and from all trades and sectors!

The convening of this conference by the China Federation of Literary and Art Circles, where everyone is invited to exchange and draw experiences obtained from amateur creations and to discuss ways to further promote the prosperity of socialist literature and art under the new situation, is a very significant affair.

Today, our country enjoys political, social, and psychological stability and also sustained, stable, and coordinated growth in the national economy. The Seventh Plenum of the 13th CPC Central Committee held recently was an important conference which opened up the next decade. The "CPC Central Committee's Proposal on Drafting the 10-Year Program and the 'Eighth Five-Year Plan'" as adopted by the plenum is a plan of action designed for realizing the second step in the strategic goal toward socialist modernization and construction in our country. The people of all nationalities throughout the country are presently marching valiantly toward this strategic goal. Our different endeavors are full of vigor and great hope.

Like the situation around the country, the situation on the ideological and cultural front is also excellent. Since the Fourth Plenum of the 13th CPC Central Committee, under the leadership of the CPC Central Committee with Comrade Jiang Zemin at the core, the literary and artistic front has implemented the correct guideline of grasping rectification on one hand and promoting prosperity on the other hand. It has rectified the literary and artistic front, opposed bourgeois liberalization and other erroneous thinking, carried out an "antipornography" struggle, and cleansed the cultural field. At the same time, it has vigorously encouraged and promoted a modern socialist spirit, as well as inspired the creation and performance of healthy and useful literary and artistic works drawn from the fine cultures of the different nationalities. A large number of fine and very popular works have appeared in literature, theatre, and

drama, film, and television and other artforms. The cultural activities of urban and rural residents are experiencing an unprecedented boom, enriching the spiritual life of the people, while the entire cultural cause has seen a new momentum pointing toward a robust growth. The achievement of these results stems from the industrious work and concerted efforts by the comrades on the literary and artistic front, including the great masses of young amateur creators. Even as we continue with rectification in the new year, we should devote more energy to promoting the prosperity of literature and the arts. Literary and artistic work should adhere even more closely to the direction of serving the people and serving socialism, further carry out the guideline of "letting a hundred flowers bloom and letting a hundred schools of thought contend," strive to put out a number of fine novels, poetry, reportage, drama, film, and television plays, and unfold a vigorous mass campaign to promote literary and artistic creation. It is necessary to strive to fulfill the cultural needs of the people with fine literary and artistic creations and performances, stir up their enthusiasm for patriotism, collectivism and socialism, and inspire them to struggle for the realization of the second step in the strategic goal. The majority of literary and artistic workers should shoulder this historic mission. As a new generation of people spanning this and the next century, our young literary and artistic workers, including professionals and amateurs, cannot shirk from this responsibility.

Young literary and artistic creators have always been the liveliest, most robust, and most creative force in the literary and artistic ranks. Since the "May 4th Movement," a number of young writers and artists have always stood at the forefront at every historical period in the development of our revolutionary literature and arts, assuming the role of the shock brigade in pushing forward literary and artistic creations. Since the Third Plenum of the 11th CPC Central Committee, while the older generation of writers and artists have been rejuvenated and the middle-aged ones are moving toward greater maturity, group after group of young professional and amateur literary and artistic creators have swelled our literary and artistic ranks, bringing with them boundless vigor and zest. With their high starting point, broad outlook, acute sensitivity, sharp thinking, strong imagination, and bold innovations, they have injected fresh blood and new vitality into our literary and artistic ranks. In particular, the large number of young amateur creators on every front, and their close ties to the people, offer a sense of freshness and creativity that comes from life itself. They have become an endless source of backup support for the professional literary and artistic ranks. The works and performances of many young creators depict a vivid picture of life, offer sharp colors of our times, and portray simple and genuine feelings, earning them the love and praise of the people. They also display tremendous promise in terms of creative potential and artistic talent. The comrades taking part in today's conference were recommended and selected from the ranks of young amateur creators around the country. In

you, we see the future and hope of our country's socialist literary and artistic endeavours.

Of course, because of their lack of sophistication and experience, it is inevitable that young writers will encounter certain obstacles and hardships and experience an uneven growth as they march along the road. As many comrades have pointed out: While some young amateur writers often begin with the publication of fine and influential works, they usually lack stamina and, in the end, might even go astray and become what people describe as "flashes in the pan". This is regrettable and is also worthy of pondering. How to organize and train the ranks of young amateur creators so that they can give full play to their strong points and advantages, effectively resist the corrosion of bourgeois liberal ideas, forever preserve the youthfulness of their literary and artistic works, and continue to grow robustly through social and artistic practice toward the direction of being both red and expert—this affects the future of our literary and artistic endeavours and is an important subject which must be studied seriously. Here I should like to present some views to our young friends and have everyone study them.

In his speech at last year's symposium held by the capital's young people to commemorate the "May 4th Movement", Comrade Jiang Zeming outlined the correct path that should be followed by China's intellectuals as they mature and grow and he expressed sincere faith in young intellectuals. I hope that you will study the speech repeatedly and conscientiously master its important spirit. In it, Comrade Jiang Zeming pointed out: "The mental attitude of advanced intellectuals demonstrated the correct path toward the healthy growth of our country's intellectuals. This is: The integration with practice and the integration with workers and peasants under the guidance of Marxist-Leninist-Mao Zedong Thought. If contemporary intellectuals are to fulfill their historical mission, they should continue to advance along this path and enrich as well as develop the fine traditions of advanced intellectuals through the implementation of socialist modernization and construction and of reform and opening up, to carry on the fine tradition from generation to generation." This correct path pointed out by Comrade Jiang Zemin is the one to be taken by young intellectuals as they grow into maturity and acquire their skills. I hope that the young amateur and professional workers will grow steadily along this path.

For young people who want to engage in literary and artistic works, to embark resolutely along this path means the diligent study and mastery of the Marxist world outlook and the Marxist concept of literature and arts, the study of Mao Zedong Thought on literature and arts, and the relevant works of Deng Xiaoping on literature and arts. This is of extreme significance in guiding your work, life, and creation. As our country is at a new historical period in its modernization and reform and opening up endeavours, all aspects of social life are

undergoing broad and profound changes, with new situations, problems, and conflicts continuously arising. To observe and understand life correctly, to master the essence of things amid confusion, and to recognize the development trend in life, there is a greater need to use Marxist theories as ideological weapons. Along with opening up to the outside world and the growth of cultural exchanges between China and foreign countries, foreign things, particularly all types of western literature and art as well as social ideas, will flock into our country. Under these circumstances, it is possible to keep a clear head, distinguish between good and bad, discard the floss and select the essence, and to absorb positively all that is valuable from the different cultures of the world by striving to master dialectic materialism, historical materialism, the basic theories of socialism, and the Marxist concept on literature and art. At the same time, it will also then be possible to resist effectively the infiltration of decadent capitalist ideas, stop the corrosion of bourgeois outlooks on the world, life, values, and arts, and advance along the path of socialist literature and art with Chinese characteristics.

Socialist literature and art is the literature and art which serves the people and socialism. "The people are the mother of literary and artistic workers." Young professional and amateur literary and artistic workers should never forget this point, that once they are separated from the people, they are also separated from mother earth, just like Antaneus. Even though you all came from among the people, there is still the problem of voluntarily learning from the people. It is very difficult to arrive at a genuinely profound understanding and correct depiction of the people's thoughts, feelings, aspirations, and demands unless there is voluntary study and effort toward this end over a long period of time. To continue the advance along the path of "serving the people and serving socialism," it is necessary not only voluntarily to regard the people as the primary subject but also to accept conscientiously judgements based on the people's experiences as well as their choices. All promising young writers should listen frequently to the people's cries and demands, heed their opinions and criticisms, and continue to raise the ideological and artistic level of their work. After achieving a certain degree of accomplishment, it is necessary to be even more vigilant about the influence of "elitist" ideas which induce separation from the people.

Life in society is the only source of literature and art, while going deep into life is a path that has to be taken by literary and artistic workers who want to create fine works. You all come from various fronts in the grass roots and have accumulated certain life experiences, but the emphasis on the need to go deep into life is still necessary. The reasons are: 1) As life in society continues to change and develop, going deep into life is also an endless process that must be undertaken regularly and is not to be started without waiting for a conclusion. 2) The life experiences of young writers have varying degrees of limitations and it is thus necessary to continue to expand

the scope and areas of life experiences and not be satisfied with a smattering of a subject. You should actively go down into the first line of socialist reform and modernization endeavors and become one with the pioneers of the Four Modernizations who are working and living there. You should draw your subjects, themes, and creative passions from the fiery lives there, master the pulse of the times, and lay a solid foundation for the creation of fine works which are worthy of our times. You are young, full of vigour, and the future beckons you. To be tempered and tested in the first line is not only of utmost importance insofar as the improvement of your work is concerned, but will also be useful for enhancing all kinds of practical skills and talents for the rest of your lives.

Finally, I hope that everyone will inherit and foster the fine traditions of revolutionary literature and art and humbly learn from the older generation of fine writers and artists. It is necessary to learn from: Their fine qualities characterized by their love of the motherland, love of socialism, and loyalty to the people; their fine styles of going deep into reality, going deep among the people, and of linking theory with practice; their lofty spirits characterized by the pursuit of truth and willingness to contribute; and to learn from their valiant spirit of never stopping with their studies, never limiting their pursuit of art, and forever surging ahead. Large amounts of facts from the histories of Chinese and foreign literary and artistic development have told us that to become a great literary and artistic creator, it is necessary to enjoy all kinds of experiences as well as to undergo lengthy training. I hope that the comrades will remain modest and cautious, refrain from being arrogant and proud, deal correctly with the questions of fame and honor, strive to upgrade your own cultural as well as artistic qualities, be strong-willed and dare to break new ground, preserve and play up your strong points, and strive to scale the peaks of socialist literature and arts. We look forward to the emergence of many people's writers and artists from among your ranks!

Comrades, young friends:

The last 10 years of this century are a very critical decade in the process of socialist modernization in our country. In these 10 years, the building of our country's physical civilization must undergo a great development and this is also true with the building of spiritual civilization. Speaking at a seminar with people from literary and art circles recently, Comrade Jiang Zemin emphatically pointed out: The great masses of literary and artistic workers should unite together toward the great direction of serving the people and serving socialism, focus on the present as well on the future, focus on the people's interests, and struggle together to promote the prosperity and development of the socialist literary and artistic cause. This was the appeal issued by the CPC Central Committee to literary and artistic workers. Let us respond actively to this appeal and make new contributions to the prosperity of socialist literature and art and to building socialist spiritual civilization!

May a hundred flowers bloom in our literary and artistic gardens!

May our young professional and amateur writers blossom and grow!

Meeting Views Popularization of Legal Knowledge
OW1503220191 Beijing XINHUA Domestic Service
in Chinese 1128 GMT 14 Mar 91

[By RENMIN RIBAO reporter Xiao Du (2556 3256) and XINHUA reporter Zhou Lixian (0719 4539 2009)]

[Text] Beijing, 14 Mar (XINHUA)—Action has been taken by all localities and departments to implement the second five-year plan formulated by the Propaganda Department of the CPC Central Committee and the Ministry of Justice aimed at developing a propaganda and education campaign to popularize legal knowledge among citizens. All provinces, municipalities, and autonomous regions, as well as all units directly under the party Central Committee, and all ministries and commissions of the State Council have acted promptly and worked out a number of concrete programs for this purpose. This information was ascertained by the reporters from a national experience-exchange meeting on the formulation of five-year work programs to popularize legal knowledge in various departments and localities.

At the meeting, which took place in Beijing from 12 to 14 March, participants studied a document on the second five-year plan for popularization of legal knowledge jointly issued by the Propaganda Department of the CPC Central Committee and the Ministry of Justice and distributed by the CPC Central Committee and the State Council. Experience and work methods of various localities and departments in formulating their second five-year programs to popularize legal knowledge were exchanged, and problems encountered in this work and their solutions were also studied at the meeting. Having implemented the first five-year plan and enhanced their awareness of the importance of propaganda work in this regard, comrades participating in this meeting held the view that propaganda and education on the legal system is a fundamental project in promoting democracy and the legal system and also a basic construction task in the ideological fields. The purpose of propaganda and education on the legal system is not only to impart specific knowledge of law to people, but more importantly to enhance the consciousness of law and the legal system among the vast numbers of cadres and masses and to raise the level of legal knowledge of the whole people. For this reason, in building the spiritual civilization, it is necessary to attach importance to educating people about the legal system and discipline and to put emphasis on fostering their consciousness of acting according to law and abiding by discipline.

At the beginning of the meeting, Cai Cheng, minister of justice, gave an explicit and concrete elaboration on how to implement the second five-year national plan for popularization of legal knowledge, how to formulate the pertinent work programs in various localities and

departments, and how to successfully begin the work this year. Comrades attending the meeting exchanged their work methods and experience in this regard and further enhanced their awareness of the importance of popularizing legal knowledge.

In a speech delivered before the end of the meeting, Liu Zhongde, deputy head of the Propaganda Department of the CPC Central Committee, pointed out that an important task in conducting propaganda and education on the legal system is to do better in upholding the four cardinal principles and safeguarding national stability. In particular, he stressed that leading cadres at all levels should strive to enhance their consciousness of the legal system and increase their theoretical knowledge about law. Leading cadres, he said, should not be satisfied just with learning a few specific law articles, but should pay attention to enhancing their consciousness of the legal system, form the habit of acting according to law, and properly deal with power versus law.

Statistics on 1990 Population Reported

HK1503131491 Beijing RENMIN RIBAO in Chinese
11 Mar 91 p 3

[Report by Guo Tonggao (6753 0681 7559): "The State Statistical Bureau Conducts a Sample Survey on Population Changes"]

[Text] Several days ago the State Statistical Bureau announced the results of a sample survey on China's population changes in 1990. This sample survey was conducted on 1.926 million people from 483,000 families in 881 counties (cities and districts), 3,002 townships (towns and streets), and 7,836 survey areas of 30 provinces, autonomous regions, and municipalities under direct jurisdiction of the central authorities.

In 1990 the country's birthrate was 21.06 per thousand and its natural growth rate was 14.39 per thousand.

Calculated on this, the country's population increase was 23.91 million and its net population increase was 16.29 million.

According to the results of the survey, birthrates in 21 provinces and autonomous regions exceeded 20 per thousand, the highest being 26.44 per thousand; and birthrates in 17 provinces and autonomous regions exceeded 14 per thousand, the highest being 18.82 per thousand.

During the Eighth Five-Year Plan, China will continue to witness a peak birthrate and face a difficult task of population control. Therefore governments at all levels should strengthen their leadership over family planning work, gradually improve the birth policy, establish a better concept about population, and strictly control excessive population growth.

The following is a table of birthrates, death rates, and natural growth rates in 1990 of provinces, autonomous regions, and municipalities under direct jurisdiction of

the central authorities, announced by the State Statistical Bureau on 7 March 1991:

Placenames	Birthrate (per 1,000)	Death Rate (per 1,000)	Natural Growth Rate (per 1,000)
Whole country	21.06	6.67	14.39
Beijing	13.01	5.81	7.2
Tianjin	15.61	5.78	9.83
Hebei	20.46	6.82	13.64
Shanxi	22.54	6.56	15.98
Inner Mon- golia	21.19	7.21	13.98
Liaoning	16.3	6.59	9.71
Jilin	19.49	6.56	12.93
Heilongjiang	18.11	6.35	11.76
Shanghai	10.31	6.64	3.67
Jiangsu	20.54	6.53	14.01
Zhejiang	15.33	6.31	9.02
Anhui	24.47	6.25	18.22
Fujian	24.44	6.71	17.73
Jiangxi	24.59	7.54	17.05
Shandong	18.21	6.96	11.25
Henan	24.92	6.52	18.4
Hubei	21.6	7.3	14.3
Hunan	23.93	7.23	16.7
Guangdong	22.26	5.76	16.5
Guangxi	20.2	6.6	13.6
Hainan	24.86	6.26	18.6
Sichuan	19.11	7.66	11.45
Guizhou	23.09	7.9	15.19
Yunnan	23.6	7.92	15.68
Tibet	23.98	7.55	16.43
Shaanxi	23.48	6.52	16.96
Gansu	20.68	6.2	14.48
Qinghai	24.34	7.47	16.87
Ningxia	24.34	5.52	18.82
Xiajiang	26.44	7.82	18.62

Commentary Discusses Need To Control AIDS

HK1603030491 Beijing CHINA DAILY in English
16 Mar 91 p 4

[CHINA DAILY commentary: "AIDS Control"]

[Text] No country can be immune to the threat of AIDS. China has already reported five deaths and 493 HIV positive cases, doubling those of one year ago.

Recognizing the global impact of the deadly disease, the Chinese government is wasting no time in mapping out the nation's prevention and surveillance efforts. Hosting

the two-day international conference on AIDS prevention and control, that ended yesterday in Beijing, in conjunction with the World Health Organization and the United Nations Development Programme will undoubtedly strengthen and help the implementation of the Chinese AIDS control plan.

Any effective programme of AIDS prevention must include two important aspects, namely education and surveillance.

Chinese health authorities have done some work in surveillance and research into various AIDS therapies. Blood serum tests have been done on about 500,000 individuals and more than 50 special laboratories have been set up, 10 of them supported by the World Health Organization programmes.

China has also not neglected to search for possible medical treatment and prevention of the spread of AIDS through traditional herbal medicine. While no major breakthroughs have been reported so far, continued research in this area may provide a viable alternative.

Since most of the HIV positive cases reported so far have been the result of infection through drug abuse in south-west China, a vigorous fight must be waged there against illicit drug trafficking and drug abuse.

From a long-term point of view, however, there is also a need to conduct a sustained educational campaign to spread a healthy and scientific attitude among the people on the whole subject of sex and social responsibility. Young people, in particular, must be warned against the danger of promiscuous sex.

Science & Technology

Li Peng on Assimilation of Imported Technology

OW1503230191 Beijing XINHUA Domestic Service
in Chinese 1208 GMT 15 Mar 91

[By Central People's Broadcasting Station reporter Luo Guanxing (5012 6034 2502) and XINHUA reporter Sun Benyao (1327 2609 1031)]

[Text] Beijing, 15 Mar (XINHUA)—During a meeting with participants at the second meeting to commend and exchange experiences in key technological equipment at Ziguange Hall in Zhongnanhai this afternoon, Premier Li Peng emphasized that we should continue the policy to digest, assimilate, innovate, and localize advanced technologies imported from abroad.

Li Peng opened his speech by extending sincere gratitude and warm congratulations to comrades engaged in the designing, manufacturing, and other aspects of the work involving key technological equipment. He pointed out: The policy to localize imported advanced technological equipment, which was adopted by the State Council in the mid-1980's, has made some achievements. They are the benefits of reform and opening, as well as our

self-reliance. In the future, we should select key technological equipment and tackle major technical problems through coordinating the efforts of various units.

Li Peng said: Through the efforts in recent years, we have mastered the technologies of some major equipment and produced some prototypes. Of course, there is a long way to go before we can turn out commodities acceptable to general users.

He pointed out: To attract users of the equipment, we must offer good quality, competitive prices, timely supply, and adequate after-sale service. One of the biggest advantages of localization of equipment is that spare parts are available domestically. There is much that we can do in localizing major technological equipment.

State councillor Zou Jiahua and State Council Secretary General Luo Gan were present at the meeting.

A commendation ceremony followed the meeting. Speaking at the ceremony, Luo Gan emphasized: We should affirm our achievements and strengthen our confidence in continuing the development of major technological equipment; we should adhere to the principle of building up the country through self-reliance and in the spirit of thrift in realizing the localization of major technological equipment; and we should continually summarize the experience in accelerating the pace of localizing major technological equipment.

Zou Jiahua said: This year is the initial year of the Eighth Five-Year Plan. During the Eighth Five-Year Plan period, all departments and units are urged to continue to use the spirit of unity and cooperation and, in close conjunction with the "Year of Quality, Variety, and Efficiency" activities, concentrate on doing a good job in the development of major technological equipment, thereby contributing more to the localization of major technological equipment.

At the ceremony, 244 projects and 843 units were commended. Of these, the top award went to 11 projects and 157 units; the first-class award, to 66 projects and 281 units; the second-class award, to 83 projects and 229 units; and the third-class award, to 84 projects and 176 units. In addition 12 complete sets of equipment were also commended.

According to a briefing by the relevant department, at least 70 percent of the imported advanced equipment can now be produced locally and be used in key construction projects to promote national economic construction.

The meeting, held in Beijing from 13 March through 15 March, was attended by members of the Leading Group on Major Technological Equipment and other departments of the State Council, representatives of special projects and commended units, and representatives of some units developing major technological equipment.

Procurator General Stresses Technological Work

OW1303224291 Beijing XINHUA Domestic Service
in Chinese 1336 GMT 11 Mar 91

[By RENMIN RIBAO reporter Xu Yunping (1776 6663 1627) and XINHUA reporter Zhou Lixian (0719 4539 2009)]

[Text] Beijing, 11 Mar (XINHUA)—Xiao Yang, deputy procurator general of the Supreme People's Procuratorate, asked procuratorates at various levels to fully understand the current situation, tasks, and demands on technological work to strengthen leadership over the work of improving procuratorial technology and to suit the need of procuratorial work.

Xiao Yang made the above remarks at the national meeting on the work of procuratorial technology, which closed today.

Xiao Yang pointed out: At present, procuratorial technology is facing an important period of development with many new situations and problems. Procuratorial technology now covers a greater scope and requires a higher quality to cope with difficult tasks. Law offenders are now using increasingly tricky tactics to counter investigatory activities. Therefore, we must raise our level of procuratorial technology to examine materials and other proofs. We must handle cases in a scientific manner in accordance with the law and give full play to the role of procuratorial organizations in supervising the implementation of law. Leading members and technological departments of various procuratorial organizations should fully understand the current situation, strengthen their sense of responsibility and urgency, consider technology as a strategic part of procuratorial work, and strive to build our technological departments into "units for tackling hard tasks."

Xiao Yang said: In recent years, procuratorial organizations at various levels have handled many cases with the help of technological personnel. The number of cases handled by technological departments of various procuratorial organizations has been rising by an average of 60 percent per annum. Technological departments have also corrected a number of cases handled erroneously by former examining units and prevented the happenings of erroneous and evasive cases. This shows that the quality of technological departments is closely related to the correct investigation of cases and sentencing standard. Xiao Yang asked concerned leading cadres and technological personnel to follow the system of investigating cases; further strengthen their sense of responsibility; carry out their tasks in a strict, serious, and meticulous manner; and ensure that there will not be mistakes. He called on various units concerned to strengthen management and guidance and attach importance to quality in handling cases.

Liu Fuzhi, procurator general of the Supreme People's Procuratorate, met with all participating comrades before

the opening of the national meeting on the work of procuratorial technology. He expressed satisfaction over the development and work of technological departments of various procuratorates. He called on technological personnel to strengthen their capability, continue to carry forward the work style of hard struggle, constantly sum up experiences, carry out scientific research in line with their actual working situation, raise work efficiency and quality, and turn themselves into well-trained technological teams both socialist-minded and vocationally proficient.

Investment in Science, Technology Increases

*OW1603141791 Beijing XINHUA in English
1343 GMT 16 Mar 91*

[Text] Beijing, March 16 (XINHUA)—A set of international indices measuring China's investment in science and technology have been worked out by the State Commission of Science and Technology, providing accurate support for decision making.

The indices, made public here today, reveal that the total investment in scientific and technological activities amounted to 30.05 billion yuan in 1990, some 54.5 percent of which came from non-governmental organizations.

This means that the investment structure in science and technology has been undergoing drastic changes in China, since this sector used to be mainly supported by the state alone, sources said.

China's investment in scientific and technological research and development last year occupied 0.7 percent of its gross national product, still a far cry from that of the developed countries, although moderate for the Third World, according to the indices.

Previously, it was difficult for financial departments to fully understand the scope of funds in this aspect.

Starting in mid-1990, a group of experts was organized by the State Commission of Science and Technology to study the issue. Up to now, four important indices on investment in science and technology have been determined.

The indices show that in 1990 state funds for science and technology totalled 13.66 billion yuan, or an 6.8 percent increase as compared with 1989. The increase is lower than that of the gross national product.

Experts, therefore, said that the state should increase its funds to this sector in future.

Song Jian Discusses Nuclear Energy Development

*HK1503093891 Beijing RENMIN RIBAO in Chinese
12 Mar 91 p 4*

[Report by Jiang Hanzhen (5592 3211 4631): "Song Jian Attends a Meeting on the Strategic Target for the Development of Energy Resources"]

[Text] Beijing, 11 Mar (RENMIN RIBAO)—A meeting to listen to a report on the 863 plan concerning the

strategic target for energy resources, a plan of far-reaching significance to energy development in the 21st century, ended today. The State Council's technology and planning coordination group examined the strategic target for energy development after soliciting opinions from the relevant ministry, commission, and experts on the development target in China's energy field.

In his speech, Song Jian, chairman of the State Science and Technology Commission, fully confirmed the efforts made by the Energy Experts' Commission during the Seventh Five-Year Plan.

This reporter learned that the 863 plan concerning energy resources comprises two main aspects. The first involves fuel coal for magneto-fluid electricity generation, in which thermal energy is directly turned into electric energy. This electricity generation is highly efficient and can help save fuel and water. In addition, generation can proceed on high-sulphur coal, which basically does not produce pollution and suits the construction and transformation requirements for large power stations.

The second main aspect involves advanced nuclear reactor technology. The use rate of uranium resources is low in the compressed-water reactor nuclear power stations now being built in China. Therefore, there is a need to conduct research into advanced, safe, and economical nuclear reactor technology for which China's nuclear fuel can be fully utilized to lay a foundation for China's nuclear energy development in the next century.

Zou Jiahua at Science Units Commendation Meeting

*OW1403120891 Beijing Domestic Service
in Mandarin 2230 GMT 13 Mar 91*

[From the "News and Press Review" program]

[Text] Our country has made significant progress in research on major technologies and manufacturing of equipment and in promoting domestic production of advanced equipment. The tasks of tackling key technological projects during the Seven Five-Year Plan period are in the main completed.

The second meeting to commend advanced units in developing major technologies and equipment opened in Beijing yesterday, in which 244 projects with a participation of 843 units were commended. State Councillor Zou Jiahua attended and spoke at the meeting.

It was learned that during the Seventh Five-Year Plan period more than 10 major departments and corporations and nearly 1,000 enterprises and institutions, with more than 7,000 backbone scientific and technological workers, were engaged in more than 800 scientific and technological projects, including the building of whole sets of equipment for 12 key projects, including a large-scale open-cut coal mine, a large thermal power plant, and an ultra-high-pressure power transmission. At present, they have designed and manufactured more than 30 sets of equipment, putting this equipment into operation on more than

40 construction projects. The components of 10 whole sets of equipment were in the main all produced in China; the manufacturing of eight whole sets of equipment were completed or basically completed. They are being installed and tested and will be put into operation this year, according to the plan. Some crucial technologies for more than 10 other whole sets of equipment are partially completed and some important key elements have been successfully developed.

During the Eighth Five-Year Plan period, the development and manufacture of major and advanced technological projects and equipment will follow the principle of integrating self-reliance with importing and absorbing advanced foreign technologies, integrating research and engineering work and integrating manufacturing units and users.

Council Approves Criteria for Enterprises

OW2003114491 Beijing XINHUA Domestic Service
in Chinese 0518 GMT 18 Mar 91

[Text] Beijing, 18 Mar (XINHUA)—Recently the State Science and Technology Commission drew up a set of criteria and measures for high- and new-technology enterprises in development zones for high- and new-technology industries. The criteria and measures have been approved by the State Council.

In light of the current development of science and technology in the world, the State Science and Technology Commission considers the following areas of science and technology as high and new technologies: microelectronics science and electronic information technology, space science and aeronautical and astronautical technologies, optoelectronics science and optics-mechanics- electronics integration technology, life science and bioengineering technology, materials science and new materials technology, energy science and new energy sources, high-efficiency energy saving technology, ecological science and environmental protection technology, earth science and ocean engineering technology, science of basic substances and radiation technology, medical and pharmacological sciences and biomedical engineering, and other new processes and technologies applied to traditional industries.

According to the criteria, high- and new-technology enterprises are knowledge-intensive and technology-intensive economic entities. High- and new-technology enterprises in development zones must engage in the research, development, production, and management of one or more of the above-mentioned high technologies and their products. They must have an independent accounting system, operate on their own, and take the responsibility for the profits and losses themselves. Responsible persons of these enterprises must be scientific and technical personnel familiar with the work of research, development, production, and management of their products. Also, they must be full-time personnel of the enterprises. More than 30 percent of the staff members and workers of the enterprises must be scientific and technical personnel with a college or higher education.

Over 10 percent the staff members and workers of these enterprises must be scientific and technical personnel doing research work on high- and new-technologies or related products. Funds for research and development of high and new technologies and related products must account for at least 3 percent of the gross annual revenue of the enterprises. Generally speaking, the gross revenue of the enterprises consists of technical service income, value of output of high- and new-technology products, value of output of ordinary-technology products, and technology-related trade. The total of technical service income and the value of output of high- and new-technology products of the enterprises should account for at least 50 percent of the annual gross revenue.

To establish a high- and new-technology enterprise, an application must be filed with the office of the high- and new-technology development zone in which the enterprise is to be located. After being examined and endorsed by the office of the development zone, the application is forwarded to the provincial or city science and technology commission for approval. Offices of development zones should conduct periodic checks of the high- and new-technology enterprises in their respective zones. In development zones, those state-owned scientific research units whose appropriations for administrative and operating expenses have been entirely discontinued according to the state regulations and which have become economically independent may be transformed into high- and new-technology enterprises if they meet the required qualifications and if such transformation is approved by the offices of the development zones.

Report on Missile Production, Development

HK2003071991 Beijing ZHONGGUO XINWEN SHE
in Chinese 1151 GMT 19 Mar 91

[Report by Zhu Daqiang (2614 1129 1730): "China Has Formed an Independent and Complete Missile Industrial System"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 19 Mar (ZHONGGUO XINWEN SHE)—Through 30 years of developing the missile industry, which plays an important role in China's national defense, China has formed a comparatively complete, independent, and coordinative tactical missile research and production system, thus acquiring the ability to manufacture new-type missiles.

A person from the Ministry of Aeronautics and Astronautics Industry revealed that China had developed many models of air-to-air missiles and sea defense missiles. Ten of these models have been put into production and used to equip the Chinese Air Force and Navy.

China started its missile research in the mid-1950's and set up a special institute engaged in missile research in October 1956.

According to an agreement on new technology between the Chinese and Soviet governments, during the initial stage of its missile research, China should follow Soviet

patterns in manufacturing missiles. It succeeded in manufacturing P-2 surface-to-surface missiles, "Red Flag" No. 1 surface-to-air missiles, "Thunderbolt" No. 1 and "Thunderbolt" No. 2 air-to-air missiles, and "Upstream" No. 1 ship-to-ship missiles. With the production of these missiles, China laid the foundation for its tactical missile industry.

In November 1964, the Chinese Government formed a special organization to take charge of research into strategic and large missiles as well as the development of carrier rockets and the spaceflight industry. In the early 1980's, China successfully launched an intercontinental missile over the Pacific Ocean.

Over the last few years China has concentrated on the research and manufacture of air-to-air missiles and sea defense missiles, and formed a research and development center for air-to-air missiles. In the field of sea defense missiles, over 40 factories have been built across the country to coordinate the research and manufacture of these missiles. A development impetus remains in China's tactical missile research and some models have reached advanced international standards.

Military

Armed Forces Conduct Nationwide Exercises

HK2103040891 Beijing RENMIN RIBAO in Chinese
19 Mar 91 p 3

[XINHUA report: "The Entire Armed Forces Are Launching an Upsurge of Military Training"]

[Text] Beijing, (XINHUA)—Various units of the People's Liberation Army [PLA] have launched a mass campaign of military training since the beginning of the Year of the Ram. The imposing sight of hard training by the three services of the PLA can be seen everywhere in the northern snow-covered land, the Gobi Desert, rivers, lakes, seas, and the blue sky.

At a meeting of chiefs of staff in December last year, Central Military Commission Chairman Comrade Jiang Zemin proposed that the entire PLA should cautiously and conscientiously carry out military work, thus stimulating officers' and soldiers' enthusiasm for military training.

Now all units in the entire Armed Forces have started their training for the new fiscal year. The large number of military units joining this year's training has been rare in recent years. In some military regions, over 97 percent of their divisions, brigades, and regiments have engaged in military training, and military units joining this training are basically up to the demand for complete equipment and full attendance. Commanders, soldiers, office personnel, all services, and all special detachments have joined this training. To improve training quality, many units have conducted all kinds of skill competitions and the activities of becoming "sharp shooters," "sharp gunners," and "technological experts."

Improved Training of Mechanized Units Urged

HK2103051491 Beijing JIEFANGJUN BAO in Chinese
9 Mar 91 p 1

[Report by Liu Xinying (0491 2450 4481) and correspondent Gao Aisu (7559 5337 5685): "Liu Huaqing, Chi Haotian Watch Full-Scale Exercises by Mechanized Infantry Regiment"]

[Text] Beijing, 7 Mar—A full-scale 100-kilometer camp and field training of a full-strength mechanized infantry regiment organized by a certain group army of the Beijing Military Region was conducted so that breakthrough points could be picked out accurately from among the problems exposed with a view to upgrading the quality of training. This group army thus lifted the curtain for the new year's training program.

Liu Huaqing, vice chairman of the CPC Central Military Commission; Chi Haotian, chief of the general staff, Xu Huizi and He Qizong, deputy chiefs of the general staff; Wang Chengbin, commander of the Beijing Military Region; Zhang Gong, political commissar of the Beijing Military Region; and responsible comrades from the relevant departments of the General Staff Headquarters viewed the training and also met with the troops.

On 7 March, in a battle training ground deep in the Taihang Mountains, the winds blew hard and strong while snow fell suddenly at midnight to cover the mountains with a white blanket. It was under such harsh weather conditions that the 100-kilometer full scale camp and field training began. Hundreds of tanks, armored personnel carriers, armored command vehicles, armored communications vehicles, and wheeled howitzers rolled off in a stream before the reporter's eyes.

Since its conversion [gai zhuang 2395 5944], this mechanized infantry regiment taking part in the field training today seemed to have participated in major military activities every year and to have completed its missions with flying colors. With this training, the group army commanders have put greater emphasis on tough and strict standards for them. Today, the mobilization rate of the entire regiment's mechanized combat facilities was 100 percent.

The superb combat operation of this unit has once again proven that with training, our army's mechanized units have acquired a greater capability to wage war and have high mobility, good communications, accurate firepower, cohesion, and excellent assurance; however, the binoculars of the group army commanders were focused on problems and drawbacks in the training which were not easily detected. From the command post, the reporter would hear live comments from the commanders saying: "The distance between moving armored personnel carriers and tanks was not kept constant. Inadequate manipulation by many tank crews caused the circuit insurance [dian lu bao xian 7193 6424 0202 7145] to burn down. Basic training leaves much to be desired."

The reporter learned that before urgently mobilizing the regiment, this group army had already carried out a vast amount of research to analyze and look for problems and shortcomings in the training of the mechanized troops. It has established a mobilization plan where the weak links in the training will be identified in seven areas including field operations planning by the organ, communications and liaison, technological guarantees, and quality of crews. This field training has helped to clarify the guiding ideology for the new year's training program. As the field training entered its final stage, the group army commanders who had been "scrutinizing" the operation sighed: "Stepping up the troops' training to cultivate a sense of mechanized operations, carrying out troop training at full strength, and incorporating the management of mechanized facilities into the training program—these should be the three major features designed to enhance the quality of the group army's training in the new year."

JIEFANGJUN BAO Affirms Lei Feng Spirit

*HK2103055791 Beijing JIEFANGJUN BAO in Chinese
6 Mar 91 p 3*

[Article by Li Zhong (7812 6988): "Learn From Lei Feng's Lofty Political Character of Firmly Believing in the Party and Socialism"]

[Text] The spirit of Lei Feng shines with the splendor of the times and boasts rich connotations. Its essence is the wholehearted service of the people and selfless sacrifice for the people's cause. Lei Feng was able to achieve this because he loved and firmly believed in the party and in socialism. Central Military Commission leading comrades have pointed out: "We should use Lei Feng as an example and foster the firm conviction of 'wholeheartedly siding with the party, with socialism, and with communism.'" On the occasion of the 70th anniversary of the founding of the CPC, and given that the entire party and the entire Army is deeply engaged in education on firm conviction in the party's leadership and in socialism, our learning from Lei Feng's lofty political character and political belief is of realistic significance.

Lei Feng never wavered in his love and belief in the communist party and the socialist cause. This resolute political conviction ran through his short but glorious life. Going through "The Diary of Lei Feng," 66 of the 112 entries directly described his deep affection for the party as well as his firm belief in the socialist cause. Lei Feng likened the party to a "loving mother." He said that: "I have a single determination and that is to wholeheartedly follow the party, socialism, and communism." He indicated that he would "firmly obey the party and follow the party all my life." Shortly after he joined the Communist Youth League, when some people in society cast doubts on the party's leadership and a small handful of villains wanted the Communist Party to fall from power, Lei Feng firmly stood by the party's side, bravely defended the party's leadership, and upheld the party's interests. In the early 1960's, when our party

and country encountered serious difficulties and setbacks, and some people lost confidence in the future of the party and socialism, Lei Feng did not waver or become negative; instead, at a time when the party was confronted with problems, he actively took the initiative to support the party, filed his application to join the party, and indicated his desire "to contribute all of himself for the cause of socialism and communism." After joining the party, he worked for the party with heightened devotion and industry, eventually maturing into a qualified communist, a qualified revolutionary soldier, and a great communist fighter.

A firm conviction in the party and in socialism constituted not only the principal feature of the spirit of Lei Feng, but was also the political foundation for all his thoughts and conduct. All his life, Lei Feng thought not of himself but of others and, wherever he went, he brought with him his care and warmth for other people. This spirit and quality of self-sacrifice and of helpfulness is not the so-called ordinary humanism of "do more good deeds" as touted by advocates of bourgeois liberalism; and it is not the so-called "self-satisfaction gained from other people's gratitude" as understood by bourgeois egoists. Lei Feng found joy in helping others and performing good deeds because he loved and was loyal to the party and believed that this was what the party taught him to do. Abiding genuinely by the standards of a communist, he kept in his heart our party's objective of serving the people wholeheartedly and used his own actions to fulfill this objective in every little way he could. Consequently, Lei Feng's joy in helping others has evolved into a communist spirit and is a concrete manifestation of the wholehearted service of the people. At the same time, because of Lei Feng's profoundly sincere affection for and steadfast belief in the party, he truly regarded the party-led socialist cause as his own most valuable and precious cause. He treated every single task given him by the party as part of the great and noble cause of realizing socialism and communism. Exuding immense enthusiasm and a fearless spirit of sacrifice, he worked hard and made contributions cheerfully, achieving extraordinary accomplishments in an ordinary post.

How did Lei Feng develop this firm conviction in the party and socialism and his lofty political character? What kind of inspiration and experience of popular significance has he given every one of us, especially the younger generation?

Like millions of Chinese youths, Lei Feng grew up under the tender loving care, and nurturing, of the party. He had suffered tremendously from the oppression and enslavement of the exploitative class in the old society and thus felt a kind of natural attachment to the party. But what is precious about Lei Feng is that he did not allow his feelings for the party to remain at the level of simple "gratitude," but carried on with further serious studies, voluntarily accepting the party's education and training, and gradually understanding the nature and purpose of the party. He realized that the party represents the interest of the proletariat and the great masses and that its direction toward socialism and communism

is the direction for all mankind. From here, he gradually grew from having a simple feeling of gratitude to the party to belief and support of the party's leadership and of the socialist cause, incorporating every bit of the party's teachings into his own work and action. All of his words and deeds embodied the party's thinking in his being. Today, even though great changes have taken place in the conditions of the times and the social environment, how to look at the leadership of the party and how to correctly handle an individual relationship with the party is still a fundamental issue that must be understood by the people, especially the young, in the process of growing up. The CPC is a communist party equipped with Marxism-Leninism-Mao Zedong Thought and works for the people's interest wholeheartedly. Over the past few decades, the party has led the people of the entire country in successfully overcoming all kinds of trials and tribulations and achieving a string of victories in revolution and construction. Needless to say, the party has also experienced all kinds of mistakes and shortcomings, including the grave error of the "Cultural Revolution" and the continued existence within the party of negative phenomena, such as bureaucratism, commandism, corruption, and abuse of power. It should be seen that these do not reflect the essence of our party but they are mistakes and deviations that occur as we go through the process of understanding and mastering the law of socialist development. Others are the result of corruption and infiltration of the party by various ideas and styles belonging to the exploitative class. In this sense these mistakes and errors are simply contrary to the nature and purpose of our party. Moreover, our party never conceals its own errors. With each blunder, the party always informs the people truthfully and, together with the people, conscientiously makes amends. This shows precisely that the party is open and above board and that it is serious and mature. So, how can the party's leadership be doubted, and even faith in it lost, because the party made mistakes and because certain negative phenomena exist inside the party? Historical experience has shown that the party's leadership, education, and training has always been the fundamental guarantee for the growth and progress of the young generation. We can only grow up soundly and face a bright future if we do as Lei Feng did, voluntarily linking our fate with that of the party, upholding the party's absolute leadership over the Army, conscientiously abiding by the party's teachings, and accepting an upbringing by the party. On the other hand, if we turn our back on the party's training and education and engage in so-called "self-design" and "self-struggle," we will only go astray.

Lei Feng had simple feelings toward the party and socialism—this was a condition in Lei Feng's favor as he was growing up. But to stay put at this kind of simple feeling would not ultimately solve the question of conviction in the party and in socialism. The reason is because the socialist and communist tenets founded by Marx show scientific understanding of the law of social development obtained through the conclusion of many valuable accomplishments in the history of human understanding and a

serious study and examination of the prevailing state in capitalist economic and political development. Lenin pointed out that socialist thinking will not grow naturally out of the heads of workers but has to be "injected from the outside." ("Selected Works of Lenin," Vol 1, p 247) The working class will be able to acquire a communist world outlook and foster a firm conviction in communism and socialism only by being instilled with revolutionary theories, seriously studying Marxism, truly understanding theoretically the historical law that the replacement of capitalism by socialism cannot be altered by human will and by affirming its understanding of socialism on the basis of an understanding of the law of social development. Lei Feng saw his thinking leap off and he gradually grew to become a communist fighter because he conscientiously persisted in the study of Marxism-Leninism-Mao Zedong Thought. Today, we want to train and nurture a generation of new socialist men who will uphold the Four Cardinal Principles and the reform and opening up. To do so, the most basic way is to insist on educating people with Marxism-Leninism-Mao Zedong Thought. Marxism, especially Marxist philosophy, is the integration of world outlook and methodology. Regardless of our profession and occupation, we need to be guided by Marxism in order to complete our study and work more effectively, distinguish between right and wrong in the complicated struggle, and maintain the correct political direction.

Lei Feng's firm conviction in the party and socialism did not end with words, but was closely linked with his own work and manifested through his diligent and steadfast labors. Using his own words, he "wants to be a rustless screw" and "wherever the party puts me, I will shine there." While in school, Lei Feng was an exemplary student, praised by all; while in the countryside, he was honored as a model worker because of his industry; as a public servant in an organ, he was named a model worker; in the factory, he worked hard and was repeatedly commended as an advanced worker and red banner pacesetter; and after joining the Army, he showed great love for his profession, strove for down-to-earth accomplishments, and won numerous citations. If we are to further foster the spirit of Lei Feng today, we should emulate him by working steadfastly for the party from our posts. Lofty ideals, fine work ethics, excellent knowledge and skills needed in one's own work, and strict work discipline—this is the basic form of the current activities which we are carrying out intensively. It is also the fundamental path for every one of us, especially the young comrades, in the endeavour to shape ourselves into new people with the "four do's."

In his meeting with the "Lei Feng Regiment" last year, Comrade Jiang Zemin pointed out: "The entire party, the entire Army, and the people of the entire country should display actual deeds in learning from Comrade Lei Feng." As the People's Army under the absolute leadership of the Communist Party, our Army shoulders the historic burden of resisting foreign aggression and suppressing internal subversion. This special historic mission determines that each and every one of our cadres and soldiers should be like

Lei Feng: They should have a firm and correct political stand and an unwavering conviction in the party and socialism and should closely integrate this conviction with their duties. This way, we will truly become politically competent soldiers while our People's Liberation Army will be able to enhance its overall fighting ability and become a revolutionary army genuinely loyal to the party and the people as well as a great wall of steel safeguarding the socialist republic.

Council Approves 'Summary' on Two-Support Work

*OW1503015291 Beijing XINHUA Domestic Service
in Chinese 1118 GMT 14 Mar 91*

[Text] Beijing, 14 Mar (XINHUA)—The State Council and the Central Military Commission recently approved and transmitted the "Summary of Minutes on the National Work Conference on Supporting the Army and Giving Preferential Treatment to Families of Revolutionary Soldiers and Martyrs and Supporting the Government and Cherishing the People," and issued a circular calling for serious efforts to carry out the two support work as an important task.

The State Council and the Central Military Commission pointed out in the circular: The "summary," which sums up new experiences in the two support work in the recent years and puts forward the basic guidelines, principles, and tasks for strengthening the two support work under the new situation, is a guiding document for the two support work at the present and for some time to come in the future.

The circular said: Supporting the Army and giving preferential treatment to families of revolutionary soldiers and martyrs, and supporting the government and cherishing the people are the fine traditions of our party, our government, the People's Liberation Army [PLA], and Chinese people of all nationalities; they are also our special political superiority. Under the new situation, to deepen two support activities for building closer ties and strengthening unity between the Army, the government, and the people is of great political significance for ensuring the country's long-term stability and order and the consolidation of the socialist system, for realizing the second strategic objective of China's economic and social development, and for promoting the modernization and regularization of the PLA and making it more revolutionary. People's governments at all levels and all PLA units should regard the two support work as an important task and carry it out in a more thorough and down-to-earth manner. The State Council and the Central Military Commission are convinced that, through implementing in depth the guidelines of the national two support work conference, the excellent situation, characterized by the army, the government, and the people "sharing a common destiny and linking heart to heart," will develop unceasingly.

The State Council and the Central Military Commission also transmitted the speeches by Yang Baibing, member of the Secretariat of the CPC Central Committee and

secretary general of the Central Military Commission, and by State Councillor Chen Junsheng at the national two support work conference.

The "summary" points out: General Secretary Jiang Zemin has time and again emphasized the importance of "sharing a common destiny and linking heart to heart" to the Chinese people of all nationalities. This emphasis incisively reflects the essential characteristic of the grand unity of the Chinese people of all nationalities, vividly embodies the blood-and-flesh relationship between the army and the people, and sets an even higher requirement for strengthening the unity between the Army, the government, and the people. In carrying out the two support work, it is necessary to earnestly comply with this requirement, further enforcing rules and regulations and continuously consolidating and developing the present achievements to strive to enhance the two support work to a new height. Focusing on the general requirement of "sharing a common destiny and linking heart to heart," the "summary" puts forward eight basic tasks of the two support work at the present and for some time to come in the future.

'Summary' of Meeting

*OW1503173791 Beijing XINHUA Domestic Service
in Chinese 1050 GMT 14 Mar 91*

["Summary" of the National Work Conference on Supporting the Army and Giving Preferential Treatment to Families of Revolutionary Soldiers and Martyrs and Supporting the Government and Cherishing the People (Excerpts)—XINHUA headline]

[Text] Beijing, 14 Mar (XINHUA)—

1. Doing Good Two-Support Work Under the New Situation Is a Strategic Task To Promote Stability and Development in the Country and in the Army

The last 10 years of the century are a crucial decade for building socialism with Chinese characteristics. The Seventh Plenum of the 13th CPC Central Committee has put forward the Eighth Five-Year Plan and the 10-Year Program for Economic and Social Development of our country, and further clarified a series of important policies and measures for attaining the goal of quadrupling our GNP by the year 2000. In order to accomplish this unprecedented task and overcome a variety of difficulties on the road ahead, it is necessary for the Army and local authorities to support each other, and it is also necessary to have a strong unity between the Army and the government and between soldiers and the people. Doing good two-support work [supporting the Army and giving preferential treatment to families of revolutionary soldiers and martyrs and supporting the government and cherishing the people] and bringing into play the political superiority of army-government and army-people unity will create a great force which promotes modernization of our country and the Army. Presently, China enjoys political, economic, and social stability, but it is also facing a rigorous test. Reforms,

opening to the outside world, and the development of a planned socialist commodity economy have added great vigor to the building of a socialist spiritual civilization, and have created favorable conditions for strengthening army-government and army-people unity. In the meantime, however, decadent capitalist and feudal thinking and culture have also increased their influence and corruption, which will have a negative impact on army-government and army-people relations. Carrying out widespread two-support activities and strengthening and promoting the new-type army-government and army-people relations will play an important role in encouraging healthy socialist trends, resisting the influence and corruption of decadent thinking and culture, and promoting ideological and moral education for the whole nation. Under the new situation, to do good two-support work and strengthen army-government and army-people unity is a matter of overall importance, as well as a political guarantee for stability in the country and in the Army, for economic construction, and for winning victories. Leaders of party, government, and army organizations at all levels must understand fully the strategic significance of the work of supporting the army and giving preferential treatment to families of soldiers and revolutionary martyrs and of supporting the government and cherishing the people. They must earnestly attach importance to the work, always work under the guidance of the party's basic line, and make two-support work serve the party's central task in an even better way. They must always uphold the principle of army-people unity, and constantly strengthen and enhance the close flesh and blood relations between the army and the people. They must always uphold the principle of being subordinated to the interests of the whole, and regard economic construction as the central task, while meeting the needs and development of national defense construction. They must always uphold the principle of "unity—consultation—unity," properly solve problems concerning army-people relations, and cultivate a good habit of mutual understanding, mutual respect, and mutual support between soldiers and the people.

2. Conduct In-depth National Defense Education Among the People and Establish Firm Ideological Basis for Unity Between the Army and the Government as Well as Between the Army and the People

Conducting in-depth education on national defense and enhancing the people's sense of national defense is essential to safeguarding the country's fundamental interests and to consolidating unity between the Army and the government, as well as between the army and the people. Following the guidance of Marxism-Leninism-Mao Zedong Thought, and centering on patriotism, national defense education should be conducted regularly to meet changes on the international and domestic scene and to highlight the central missions of the party and the country. The major task of localities, in this regard, is to promote education on patriotism and on the need to support the Army. They should publicize the fact that the Army forms a principal part of state power, and that strong national defense safeguards the integrity, security, and interests of

the country and the nation. They should also propagate the heroic history, and glorious traditions, of the people's army under the party's leadership, as well as the Army's important role in ensuring national stability and development. The armed forces, on their part, should promote activities supporting the government and cherishing the people. They should publicize the Army's duty of protecting the motherland and peaceful endeavors of the people, as well as the Army's purpose of wholeheartedly serving the people. They should also propagate the fact that a powerful army can only be built upon a prosperous country, and that the people are the source of strength for the modernization of national defense. The education on national defense is an important part of the overall propaganda and education of a country, and should be incorporated in the public educational system. In addition to organizing national defense education for the public, leading party, government, and military cadres at all levels should also set personal examples in studying theories on strengthening national defense and the Army. National defense education should start with children. Through national defense education courses, military training, and other lively activities on campus, students should be taught knowledge and skills of national defense. All localities should strengthen educational organizations for national defense and heighten their leadership over national defense education by making related arrangements each year and conducting regular inspections. In line with the central authorities' instructions, propaganda, educational, cultural, media, publishing, and other departments should each contribute to the education on national defense among the people.

3. Uphold the Interests of the Whole Nation and Support Each Other in Economic Construction and Army Building

While strengthening itself, the People's Liberation Army [PLA] should also strive to make contributions to the development of the national economy and to the fulfillment of the 10-Year Program and the "Eighth Five-Year Plan." The PLA should organize troops to actively participate in construction of major state and local projects and to make significant contributions to the efforts to develop and revitalize the economy. The PLA should bravely take part in rescue and relief work and go all out to protect the property of the country and collectives, as well as the lives of the people. The PLA should adhere to the Central Military Commission's order calling for each soldier to do no less than 10 days of voluntary labor to provide practical services for society and the people. Troops stationed in the countryside should participate in the construction of infrastructure for agriculture, assist poor areas, and help disabled servicemen, as well as family members of revolutionary martyrs and servicemen to develop production. Troops based in urban areas should take part in social welfare projects. Military academies, national defense research institutes, and technological units should take advantage of their strong points and assist the people with their scientific and technological achievements. Provincial military districts, military subdistricts, and people's

armed forces departments should educate and organize people's militia and reservists to play a role in state and local economic construction. Local governments at all levels should care for and support army building and reform. They should actively help the armed forces secure training grounds, on land and water alike, as well as construction sites for national defense purposes. They also should support and cooperate with the armed forces to help them accomplish their training, combat, exercise, and testing missions. Local governments should assist the armed forces with money, materials, and technologies in their efforts to establish enterprises and nonstaple food production bases, in addition to offering preferential policies. They should ensure the supply of living necessities, such as grain, nonstaple food, and fuels, as well as the supply of planned materials designated for the armed forces by the state. They also should ensure the safety of military activities and the transportation of military material. Leaders at all levels should organize and encourage the people to assist in the ideological work of cadres, soldiers, and their families; help solve their difficulties; and foster a fine practice where everyone cares about and supports army building.

4. Carry Out Joint Army-Civilian Activities To Develop the Two Civilizations in a Sustained Manner, Consolidate and Expand the Socialist Ideological and Cultural Front

During the new period, the participation of hundreds of millions of soldiers and civilians in the joint activities to develop the two civilizations is a new development in the two-support work. It has become an indispensable and important part of the efforts to develop socialist spiritual civilization. These joint activities should be carried out in coordination with economic construction and the efforts to make reform and opening to the outside world under the guidance of Marxism-Leninism-Mao Zedong Thought. They should focus on ideological and moral development, use patriotic, collectivist, and socialist ideas to unite and mobilize soldiers and people throughout the country, and turn their spiritual strength into tremendous material power for accomplishing socialist modernization. In the joint soldier-civilian activities, it is necessary to carry out education in the party's basic line, so that soldiers and civilians alike will more resolutely follow the party's leadership, harden their socialist conviction, enhance their consciousness in implementing the party's basic line, and develop army-government-people unity on a solid political foundation. Efforts should be continued to launch activities to learn from Lei Feng and foster new styles; help soldiers and people foster a correct philosophy of life and value concepts; improve the social environment; popularize scientific, technological, and cultural knowledge; and effect changes in prevailing habits and customs. The joint army-civilian activities should continue to be guided mainly by the local authorities. It should concentrate on ideological and political work, and on arousing the masses to seek self-improvement. These activities should be incorporated into the general program for promoting development of spiritual civilization in the localities.

5. Ensure Success in Giving Special Care and Job Placement Through the Cooperation of the Military and the Localities

It is necessary to uphold the system of giving special care to disabled servicemen, and to family members of martyrs and servicemen by combining the efforts of the state, society, and the masses, and arouse the enthusiasm of all sectors concerned. In addition to the special pension funds allocated by the central treasury each year, local financial authorities should also have plans to appropriate more funds to solve the practical problems of special-care recipients. All localities should act according to the state's relevant regulations, and give special consideration in business operation, taxation, credit and loan, and supplies to help special-care recipients become productive. The emphasis should be placed on helping family members of martyrs, disabled revolutionary soldiers, and demobilized soldiers who enlisted before the implementation of the compulsory military service system to solve their difficulties in making a living, medical treatment, and housing, and to guarantee that their living standards will continue to rise as the economy develops. Relevant policies and regulations should be followed in providing training and jobs for demobilized cadres and their practical problems should be solved as much as possible. Retired compulsory servicemen should be properly settled, and the talents of dual-purpose personnel should be put to good use. Retired army cadres should be resettled as scheduled, and this work should be managed well to provide better service for them. The Army should actively publicize the state's policy on giving special care and job placement, and coordinate with the localities in educating the special-care recipients, as well as demobilized and retired soldiers, to respect their honor, develop the glorious traditions, and make contributions to the local economic and social development. It is necessary to consider improving the laws and regulations, and strive to establish a complete set of laws and regulations for giving special care and job placement at the central and local levels within three to five years.

6. Persist in Showing Mutual Respect, Take the Initiative To Hold Consultations, and Constantly Improve and Foster Closer Relationships Between the Army, the Government and the People

Properly solving the conflicts between the Army, the government, and the people in accordance with the principle of "unity—consultation—unity" is an important matter for improving and fostering closer army-government-people relationships under the new situation. The Army and the localities should constantly inform each other of their respective conditions, and take the initiative to hold consultations in case of problems to promote understanding, share more intimate feelings, and harmonize the relationship. The Army should foster the good image of "cherishing, emulating, and serving the people," and respect all local party committees and governments. When holding important activities or implementing important duties, they should

promptly report to the local governments to obtain their support and cooperation. The leading organs should constantly assign people to the localities to solicit opinions, determine how the troops are implementing discipline among the masses, and solve the problems once discovered. The localities should first seek the Army's opinions if their work involves the Army. Opinions and criticisms of the Army should be directed through party organizations and the problems should be solved internally. In recent years, some localities have established the system of joint party-government-military sessions to exchange important information, and hold consultations to solve important issues. We should uphold and gradually improve this good form of fostering close army-government-people relationships.

7. It Is Necessary To Emphasize Work at the Grass-Roots Level, Develop Mass Activities Supporting the Army and Giving Preferential Treatment to Families of Revolutionary Soldiers and Martyrs, and Supporting the Government and Cherishing the People in a Solid Manner

Supporting the Army and giving preferential treatment to families of revolutionary soldiers and martyrs and supporting the government and cherishing the people are mass social activities which must rely on the attention and support of leading cadres at various levels. What is more important is that we must mobilize and organize hundreds of millions of soldiers and people to take part in those activities. Only in this way can the two-support work have a solid foundation among the masses and be implemented at the grass-roots level. In carrying out the two-support work, the grass-roots level units should meet a basic requirement—namely, "having sound organization, implementing policies in a solid manner, unfolding the two-support activities on a permanent basis, and ensuring a harmonious relationship." They should constantly enrich those activities and actively explore new forms of activities which have appeal for the masses. Leading groups should proceed from reality, strengthen their guidance, inspection, and supervision in various ways, and help grass-roots level units solve actual problems in developing activities that support the Army and give preferential treatment to families of revolutionary soldiers and martyrs and support the government and cherish the people. The grass-roots level units should carry out those activities in a solid manner and implement all tasks in accordance with established policies for the work. Areas populated by people of minority nationalities, economically poor areas, frontier and coastal defense areas, and special economic zones should all use their advantages in promoting the two-support work according to their own respective characteristics.

8. It Is Necessary To Create New Things While Carrying Forward the Tradition and Raise the Two-Support Work to a New High Level

Constantly creating new ways and things while carrying forward the fine tradition is the vitality which has helped the two-support work for several decades. Leading cadres at various levels should, in light of the changing

situation and tasks, consider the development of the work and constantly summarize and promote new experiences. At present, it is necessary to do a good job in two aspects: 1. It is necessary to explore and summarize experiences in developing and building model cities and counties in supporting the Army and giving preferential treatment to families of revolutionary soldiers and martyrs and supporting the government and cherishing the people. 2. It is necessary to explore and summarize experiences in leading methods and in promoting unity between the Army and the people by following the example of unity between the Army and the government.

All units at various levels should attach importance to establishing typical advanced examples and commend advanced units and individuals. The Ministry of Civil Affairs will establish a "patriotism in supporting the army" honor prize to commend units and individuals who have made outstanding achievements in supporting the Army and giving preferential treatment to families of revolutionary soldiers and martyrs. The two-support work is related to various units and areas and is a common task of the Army, the government, and the people. Therefore, departments concerned must strengthen their leadership over the work. Governments and military organizations at various levels should understand their responsibility in leading the work, make necessary arrangements, do a good job in coordination, and develop activities with concerted efforts. The civil affairs departments of various localities and the mass work departments of various military units should assume the important responsibility of organizing and coordinating the work and offer advice to and assist party, government, and military leaders in doing the work well. The provincial military districts should use its favorable condition of having the opportunity of frequent contacts with the locality and actively help various localities conduct education on national defense, coordinate the activities of supporting the government and cherishing the people by military units in various localities, take part in mediating conflicts between the Army and the people, and fully develop their role as bridges and links in promoting closer relations between the military units and various localities and in strengthening unity between the Army and the government and between the Army and the people.

Jiang Zemin Inspects Army Units in Hunan

HK2003154191 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1159 GMT 20 Mar 91

[Report: "Jiang Zemin Inspects Army Units in Hunan, Military Newspaper Gives Detailed Account"—Hong Kong ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, 20 Mar (ZHONGGUO TONGXUN SHE)—JIEFANGJUN BAO today devoted the most prominent space of its front page to a report on Jiang Zemin, general secretary of the CPC Central Committee and chairman of the Central Military Commission,

inspecting and calling on army units and military institutes in Hunan on 17 March.

The newspaper played up a remark repeatedly emphasized by Jiang Zemin during his inspection: "It is an essential part of our army's modernization program to

attach importance to scientific and technological progress and to foster trans-century high-technology professionals who are up to the political standard." The report said: When inspecting the National Defense University, which has made many achievements in high-technology research, Jiang Zemin noted: previous regional wars (especially the recent one) have all pointed to the fact that modern warfare has become high-technology—namely, it is three-dimensional warfare where electronics equipment and missiles play an important part. Lagging behind in scientific and technological development will land oneself in a passive position vulnerable to attack. In modernization construction, the electronics industry will be one of the major industrial branches to claim precedence over others.

The report said: Jiang Zemin has shown "special concern" for old professors and is "very concerned" about young intellectuals. When he learned that a young man taught Russian, he started talking with him in fluent Russian. The young teacher was too excited to speak. Jiang smiled and said to him in Russian: "Take it easy, just speak slowly." Jiang Zemin urged the school administration to show deep concern for and set strict requirements on young intellectuals.

In front of the Hunan Provincial Military District's auditorium, Jiang Zemin met with some veteran Red Army and Eighth Route Army fighters and principal responsible people of navy, ground force, and air force units stationed in Hunan. He highly appreciated Hunan's achievements in promoting unity between the Army and the government and between the Army and the people, the popular education in national defense, and the building of the militia as a reserve force. He gave high praise to the contributions that the Hunan Provincial Military District had made in organizing the militia to play a leading role in learning from Lei Feng and to strive for the province's economic prosperity. Jiang Zemin noted: In peace time, we must emphasize the Army's quality rather than its quantity.

The report was accompanied by a picture showing Jiang Zemin, in Chinese tunic suit, receiving leaders of ground force, navy, and air force units stationed in Hunan.

Economic & Agricultural

Li Peng on 10-Year Program, 8th Five-Year Plan

HK2103064791 Hong Kong CHING CHI TAO PAO
in Chinese No 10, 11 Mar 91 p 13

["Special dispatch" from Beijing by staff reporter Chen Ke-kun (7115 0668 3540): "Li Peng Meets with Foreign

Scholars and Experts Attending a Symposium; Remarks on Guidelines for 10-Year Program and Eighth Five-Year Plan"]

[Text] When meeting with foreign scholars and experts attending an international symposium in Beijing dealing with "Oriental Culture and Modernization" on 4 March, Chinese State Council Premier Li Peng discussed the basic assumptions for China's 10-Year Program and Eighth Five-Year Plan.

Li Peng said: Not long ago the CPC held the Seventh Plenum of its 13th CPC Central Committee to discuss the 10-Year Program and Eighth Five-Year Plan. Why should we formulate a 10-Year Program? Because a period of five years is a little too short and so we worked out a program within the framework of 10 years.

Li Peng said: To illustrate the 10-Year Program and the Eighth Five-Year Plan in broad outline, we can summarize them into the following three aspects:

First, maintain an appropriate economic growth rate. In the next 10 years, we want to maintain a 6 percent growth rate and to quadruple our country's gross national product in the 1980's by the year 2000, or achieve a fourfold GNP increase. After the base figure is expanded, the higher the growth rates, the greater the difficulties. In the past, China's growth rate was about 9 to 10 percent. In the days to come, we plan to maintain a 6 percent growth rate. Nevertheless, the absolute figure of the 6 percent growth should be higher than that of the previous 10 percent growth.

Second, achieve universal improvement in the people's standards of living, including the material and spiritual civilizations. It is our hope that in the 10 years ahead, there will be a fairly great improvement in the housing sector; however, it is impossible to improve living standards at too fast a rate because we are hamstrung by two factors—the population and industry. China has successfully implemented its family planning policy (which was once attacked by some people in the West) but its population still grows at a rate of 16 million people a year. This being the case, every year we have to spend one-fourth of our national income feeding our people. China has very limited cultivated land, amounting to just 7 percent of the world's total cultivated land; however, it has managed to feed 22 to 23 percent of the world's population. Since cultivated land cannot be expanded at our own discretion, we have to feed our population by relying on our existing cultivated land. Last year we reaped a bumper agricultural harvest, with grain output amounting to 435 million tonnes, which was the highest output in the world; however, this figure was just the world average calculated on a per-capita basis. Therefore, we will always put agricultural modernization in the first place of economic construction.

Third, adhere to reform and opening up to the outside world. Our goals in this regard are clear and definite. Socialism practices a planned commodity economy. Our thinking is to combine the strong points of the planned

economy with those of regulation by market mechanisms. It is our hope that a mechanism to achieve such a combination can be set up within 10 years. We will properly handle the relationship between reform, development, and stability. Our principle is to promote development with reform and achieve development amid stability. This has something to do with Oriental culture, because it stresses proceeding in an orderly way, step by step, and that haste makes waste.

At the meeting, in their speeches, Japan's Saburo Oku, Michio Nagai, and Isamu Miyazaki, and Sin Tae-hwan from the ROK, all touched on the theme of the current symposium—that is, the relationship between Oriental culture and modernization. On this issue, Li Peng said: It is of great significance to study the relationship between Oriental culture and economic development. He said: China has persistently favored inheriting and developing our nation's splendid culture and not practicing national nihilism. We should develop what is good and discard what is bad. Similarly, we want to absorb the good aspects from Western culture. China's policy of reform and opening up to the outside world includes absorbing foreign advanced science and technology, managerial expertise, and the outstanding results of foreign cultures and education; however, when it comes to absorbing foreign culture, it should be done in the light of the actual conditions of a country and foreign cultures should not be copied indiscriminately. Social modernization can be achieved in any culture. What counts here is that any culture should be suited to the concrete conditions of a nation.

Saburo Oku said: Japan's economy has developed quite considerably. In per capita GNP terms, Japan has surpassed Europe and the United States. Thus, it can now go slower with its economic development and try to improve and develop its culture! Of this view, Li Peng said: Japan's economy has reached a high level. Really, it can work harder on cultural improvement. Li Peng said that he had visited Japan three times in the past nearly 10 years. He said: The Japanese people are well known for their diligence. Now they can work harder on life improvement. China favors developing both material and cultural civilizations. It advocates the "Lei Feng spirit." Some people in the West do not understand this. In fact, the spirit embraces a Confucian idea—taking pleasure in helping others; however, as times have changed, it should be manifested in different forms. Li Peng also agreed that the cultures of such Oriental countries as China, Japan, and the ROK have something in common, such as the Confucian school and Buddhism and, therefore, more exchanges should be conducted to make common progress.

'News Analysis' Views Economic Development Plan
OW2103093291 Beijing XINHUA in English
0834 GMT 21 Mar 91

["News analysis: Moderate Six Percent Pace For Economic Growth (XINHUA Correspondent Chen Xin)"—XINHUA headline]

[Text] Beijing, March 21—China will maintain steady economic development during the state's Eighth Five-Year Plan period (1991-1995), with the annual growth rate set at six percent.

The plan reflects the guideline of the Chinese Government to realize its strategic target for economic growth while keeping the economic order stable.

Under the program worked out by Deng Xiaoping in the early 1980s, China will quadruple its gross national product (GNP) in 1990 by the end of the century. That means the GNP in the year 2000 will be more than 3,000 billion yuan. As China enjoyed an average annual growth rate of 9.38 percent during the years 1981 to 1989, a six percent annual growth rate in the next ten years should ensure realization of the goal.

As a matter of fact, the economic power of China has been greatly strengthened in the past decade. The scale of GNP growth—81.7 billion yuan annually during the Sixth Five-Year Plan period (1981-1985) and 167.3 billion yuan annually during the Seventh Five-Year Plan period (1986-1990)—was unprecedented.

The Chinese Government has concentrated on economic development since 1978. As a result, the domestic market is now prosperous and the living conditions of people are getting better.

Economists say that economic growth of China in the past ten years was not only faster than those of the developed countries but also faster than those of most developing countries.

However, they point out, since China's economy is still in the stage of "taking off", the zeal for expansion of investment and production may easily bring about an overheated growth, which will endanger economic stability.

China embarked on urban economic reform in the early 1980s, and some significant measures, such as the combination of planned economy with market regulation and the reform of the price system, are being carried out gradually and steadily. If economic stability is affected by overheated growth, economists say, the progress of reform will be hindered.

Moreover, the industrial structure of China still needs improvement. Some basic sectors, such as the transportation, energy and raw materials industries, lag far behind the others. A high speed of economic development would exacerbate this.

China has learned a lesson from a setback not long ago, the overheated growth in 1987 and 1988, when the growth rates reached 10.2 percent and 11.1 percent, respectively, gave rise to a series of problems and forced the government to adopt an austerity program.

Economists believe that, as a developing country, China should maintain a higher speed of growth than those of the developed countries so as to catch up with them, but

the speed should be slow enough for the government to smoothly solve problems that crop up.

According to economists, the ideal growth rate for China, in the mid-term view, is six percent to eight percent. The planned rate of six percent during the next five years indicates that the government is being cautious.

It is expected that in the next five years China will focus on improving its industrial structure and raising economic efficiency while keeping a moderate growth rate, so as to channel the national economy into a sound cycle of development.

Article Evaluates 1991 Economic Trends

HK2103092191 Beijing JINGJI CANKAO BAO
in Chinese 5 Mar 91 p 4

[Article by Tang Mingfeng (0781 2494 1496) and Zhu Mingchun (2612 2494 2504): "Some Views on This Year's Economic Trend"]

[Text] The excessive expansion of demand in 1990 made our economic problems more complicated and difficult to resolve. If we are over-optimistic about the recovery of industrial production and evade principal contradictions, all the efforts made for economic improvement and rectification will come to naught.

In 1990 although the state plan for industrial and agricultural growth rates was fulfilled, small results were achieved in the economic structural adjustment. A change in the relations between industrial branches does not mean a fundamental change in the amount of assets or production capacity. On the contrary, the problems which were basically resolved during the initial stage of economic rectification, such as an overheated economy and inflation, will possibly recur.

In 1990, to activate production and markets, the state introduced an economic policy mainly characterized by money injections, such as relaxing money supply and adjusting deposit and loan rates. Because enterprises' production was basically controlled by markets, loans only increased intermediate demand and production still remained inactivated. Loans for investments in fixed assets activated production to a certain degree, but products still remained unmarketable. The gap between supply and demand widened (the disparity rate between supply and demand was 3.1 percent in 1990). M0, M1, and M2 (M0 refers to public possession of cash, M1 refers to M0 plus savings, and M2 refers to M1 plus fixed deposits and savings, with the exception of bulk deposits) respectively increased by 12.8 percent, 19.1 percent, and 27.7 percent, the highest percentages exceeding the industrial growth rate since 1985. In 1990 total loans amounted to 297.2 billion yuan, an increase of 22 percent over the previous year; and money injections totaled 31.5 yuan, an increase of 44.8 percent. In the same period, the GNP increased by only 4.4 percent and the retail sales volume of commodities in society by 1.9 percent. The absolute amount of money resulting

from overstocking of commodities continued to increase, enterprises' economic results worsened, and deficit budgeting had to be introduced in state revenue. All sorts of economic contradictions are brewing, and when the opportunity presents itself for the activation of the long-accumulated capital, the contradiction between supply and demand will be aggravated.

This year the external environment for industrial production is good, on the whole. The problem is how to turn positive factors into an impetus which helps promote healthy economic development. If problems are not handled well, favorable conditions can turn into a burden.

Viewed from resources supply, the environment for industrial production has improved. In 1990 energy production increased by 1.7 percent over the previous year, and the fulfillment of contracts increased by 1.5 percent. The increase in coal storage was more or less the same as that in the previous year, crude oil production rose a little, electricity generation increased by 6.2 percent, and the production of steel, iron, and other capital goods increased in varying degrees. Communications and transportation plans were overfulfilled but the increase in this respect was small. Railway freight transportation dropped by 0.4 percent as compared with the previous year. The year 1991 has seen a better basis for industrial production, but industrial development is still imbalanced and there are many contradictions between "good factors." If the various links in the national economy are not properly arranged, these contradictions will become serious. There is much potential in railway transportation. On the one hand, a sustained increase in the production of raw materials relies on energy production and the development of transportation; on the other hand, it also needs to be carried forward by production demand for light industry, the processing industry, and the electrical machinery industry. If production in the electrical machinery, textile, and processing industries is not properly arranged, the relaxed situation in energy, communications, and transportation will become tight again, and this will restrict production in the raw materials industry. In the fourth quarter of last year, following a rush for an increase in industrial output value, electric power supply in some localities fell short of demand. Whether a normal growth can be maintained in electrical machinery production depends on whether investments in fixed assets are made in a timely manner. If there is no normal increase in textile and processing industrial production, this will aggravate the overstocking of raw materials and high-grade products and bring about stagflation in the economy.

At a time when there are difficulties and problems to resolve in economic structural reform, China's economic development relies more than ever on its control over aggregate supply and demand. Whether the 1991 economy will develop in a good direction depends on whether investments are made in a timely manner in March and April and whether this will lead to an increase in consumption demand.

Now industrial growth depends more on capital investment. Eighty percent of enterprises' liquid funds comes from bank loans. In 1990 the increase rate of bank loans for industrial liquid funds was 10 times the industrial growth rate registered in the same period of the previous year. Because intermediate investment results have worsened, the sustained development of production relies more on enlarged reproduction resulting from initial capital investments. At a time when enterprises' economic results are becoming worse, the increase in investment has to rely on bank loans. More than 10 percent of investments in fixed assets relies on bank loans or loans provided by other financial organizations. The increase rate of loans for investments in fixed assets throughout the country is about 15 percent higher than the increase rate of investments in fixed assets. Viewed from capital input and output, loans for investments in fixed assets have played a prominent role. In the first quarter of 1990, bank loans increased more than twofold over the same period of 1989, but investments in fixed assets only increased by 0.1 percent. Most of these loans were used for industrial liquid funds. Although the decline in industrial production since September 1989 had been stopped, the increase in the gross industrial output value was "zero." In July 1990, investments in fixed assets began to rise by a wide margin (16.6 percent), and increase rates in subsequent months remained high. Industrial production began to recover, and from September on, the industrial growth rate stood at over 10 percent. Therefore, whether the 1991 economy will develop according to plans depends on whether the arrangements for investments in fixed assets are fulfilled. Above all, a key factor is investment in capital construction, because it has a bigger impact on the increase in consumption demand.

If this year's deficit budgeting is excessive, we may be forced to introduce complementary measures which will give rise to inflation; if the shortage of funds remains serious, banks may be forced to increase their loans. In such circumstances, inflation will worsen.

The state has arranged bank loans for 1991 of about 200 billion yuan, so the larger part of investment will come from financial allocation or enterprises' self-accumulation; however, enterprises' self-accumulated funds are very meager—even well-managed enterprises having only several hundred yuan per capita profit retention. There are deficits in both central and local finances, so there is little room for maneuver in finances. Construction capital has to rely more on loans or deficit budgeting. Because these few years will be the peak period of loan repayments, it is not recommended and also difficult to issue a large amount of state bonds or introduce foreign capital on a big scale. True, when there are excessive deficits, taxation may be raised to increase central revenue, price adjustments may be introduced to get rid of the burden, and exchange rates with the renminbi may be adjusted to revalue the foreign exchange reserve. Because there is a strong latent pressure which may give rise to inflation, all these measures

may trigger off price hikes. Moreover, to prevent the people's actual income from decreasing, financial expenditure will have to be increased. Therefore the only hope is improving enterprises' economic results. Judging from the present trend, however, this method will not yield any result if the structure remains unimproved. In the end, the only way may be the one previously used: Bank overdrafts will be introduced along with the expansion of bank loans to resolve inadequate funds.

The settlement of the weak market should not rely on a forced takeoff [ying qi fei 4289 6386 7378]. On the basis of retrenching aggregate supply and demand, there is a need to deepen structural reform, to set up a competitive mechanism, and to optimize the industrial structure. This will in turn aggregate demand for cash purchase into effective demand in the market.

An adjustment for quantitative increments should, generally speaking, be carried out by expanding underdeveloped industries rather than by retrenching overextended ones. Underdeveloped industries in China's industrial structure are basic industries with long construction periods and serious fund shortages. Because there are limited resources for reallocation, the adjustment for quantitative increments also has limited effects on the expansion of underdeveloped industries. In the present period of transition from the old structure to a new one, market information cannot accurately help guide the adjustment for asset increments, because no market competitive mechanism has taken shape. As a result, the state's macroeconomic policy is distorted. The adjustment for asset increments should be put under management and the transfer of proprietary rights should be allowed with certain cost payments, including payments for resources costs and compensation for unemployed workers. All this will proceed smoothly only with the deepening of reform. Therefore there is a need to separate government administration from enterprise management, to improve the enterprise proprietary system, to reform the social protection system, and to form a competitive mechanism on the basis of the planned commodity economy. This will help rationalize the industrial structure and bring about a prolonged balance.

Problems that should be given attention are these: To overcome financial difficulties, it is necessary to improve economic results; to adjust commodity prices, it is necessary to fully consider the people's bearing capacity. When the economic situation has not changed for the better, price parities should be adjusted only after revenue and expenditure are balanced. Localities should try to share the central authorities' financial burden.

The adjustment of price parities does not mean the reform of the price mechanism. Because there is no automatic control by supply-and-demand law, the adjustment of basic prices cannot fundamentally help straighten out the price system, and its role in the economic structural adjustment is also limited. China's statistics on commodity prices are obtained by sample surveys. Ordinary consumer goods, including clothes,

have been put into the market and price adjustments for some daily necessities are big. Therefore inflation pressure on the people is much bigger than that announced by the government. Distorted market information cannot correctly guide consumption and thus affects the structural adjustment. Under such circumstances, if the prices of daily necessities and service charges continue to rise in 1991, the people will no longer be able to bear it and a serious crisis will possibly occur. We should pay attention to this. True, excessive state financial subsidies are an important factor causing central financial difficulties, but the fundamental reason is the worsening of economic results. Economic work for 1991 should focus on these three following aspects: First, resolute efforts should be made to carry out structural reform, to carry forward the economic adjustment, and to improve economic results; second, the use results of central finances should be improved; and third, through a functional adjustment, localities should share some of the burden of central financial subsidies.

The year 1991 has just started. It is very difficult to predict the whole year's economic development. This article has only cited some problems and pointed out what kind of impact different methods will produce on economic development.

Statistical Communique on 7th 5-Year Plan—Part 2

HK1503145191 Beijing XINHUA Domestic Service
in Chinese 0101 GMT 13 Mar 91

["Dispatch": "The State Statistical Bureau's Statistical Communique on the National Economy and Social Development During the 'Seventh Five-Year Plan'—part two]

[Text]

IV. Transportation, Posts, and Telecommunications

During the Seventh Five-Year Plan, the basic facilities for transportation improved somewhat, the capacity of transportation was enhanced, and the volume of transportation increased in an all-around way. By the end of 1990, the proportion of multiple track railway mileage in total mileage increased from 19.2 percent in 1985 to 24.4 percent, of which the multiple track rate of the main lines reached over 90 percent. A total of 2,790 km of electrified railways were laid and the proportion of electrified railway mileage in total mileage amounted to 13 percent. The quality of highways improved continuously and construction of expressways started. The coastal ports newly increased handling capacity to 138 million tons.

In 1990, the volume of cargo handled by various means of transportation totaled 2,632.2 billion ton/km, an increase of 45.3 percent over 1985; and the volume of passengers handled totaled 561.2 billion person/km, up 26.6 percent. Water and land transportation was organized to alleviate the burden of the railway and the structure of transportation was readjusted somewhat. In

the volume of cargo handled, the proportion of railway transportation dropped from 44.8 percent in 1985 to 40.3 percent in 1990, the proportion of highway transportation rose from 9.3 percent to 13.1 percent, and the proportion of water transportation increased from 42.5 percent to 44.3 percent.

During the Seventh Five-Year Plan, the localities were enthusiastic in running transportation. In 1985, some 10 provinces, autonomous regions, and municipalities had only 49 local railways whose length totaled 2,934 km. By the end of 1990, some 16 provinces, autonomous regions, and municipalities had 64 local railways, with a total length of 4,454 km. Local aviation started from scratch and established a certain transport capacity. Transportation by individual businessmen developed rapidly.

Headway was made in posts and telecommunications. Business transactions in 1990 totaled 8 billion yuan, an increase of 170 percent over 1985 and an annual average growth of 22 percent. Of this, the growth in international telecommunications rose 50 percent. A total of 296 cities and counties could dial direct to 180 countries and regions. Business transactions in facsimile, telex, and express delivery doubled. Thanks to funds mustered through various channels, urban telephone developed rapidly. During the Seventh Five-Year Plan, there were 3.01 million new telephone users, up 137 percent; however, the development of transportation, posts and telecommunications could not meet economic and social demands.

V. Domestic Commerce, Supply, and Marketing

Drastic changes took place in the domestic market during the Seventh Five-Year Plan. Although there were fluctuations in the previous three years, sales basically returned to normal in the latter two years thanks to improvement and rectification of the national economy. There was an amply supply of commodities. Retail sales in 1990 totaled 825.5 billion yuan, up 92 percent from 1985 or an annual increase of 14 percent. The actual increase was 3.4 percent after deducting the factor of price hikes.

Retail sales of various economic sectors in 1990 were as follows: The state-owned sector, up 86.4 percent from 1985, the proportion in total retail sales dropping from 40.4 percent to 39.3 percent; the collective sector, up 64.4 percent, the proportion dropping from 36.2 percent to 31.9 percent; the jointly owned sector, up 200 percent, the proportion increasing from 0.3 percent to 0.4 percent; and the individual sector, up 140 percent, the proportion increasing from 15.3 percent to 19 percent. A 170 percent rise was registered in the transactions between peasants and nonagricultural people, the proportion increasing from 6.8 percent to 9.4 percent.

Market prices rose sharply in the previous four years. Thanks to the effective measures adopted, market prices in 1990 remained relatively stable. Price changes during the Seventh Five-Year Plan were as follows (taking the previous year's price as 100):

	1986	1987	1988	1989	1990
Inhabitants' cost of living/ price indices	106.5	107.3	118.8	118	103.1
Retail price indices	106.0	107.3	118.5	117.8	102.1

Thanks to the reform of the material supply system, the proportion of principal materials distributed according to the state plan dropped sharply. The proportion of the supply of rolled steel according to state contracts in the year's production dropped from 49.7 percent in 1985 to 30.8 percent in 1990; supply of coal dropped from 45.2 percent to 42.1 percent; supply of timber dropped from 29.7 percent to 26.4 percent; and supply of cement dropped from 16.4 percent to 10.3 percent.

VI. Foreign Economic Relations and Tourism

China's imports and exports developed swiftly. According to customs statistics, imports and exports during the Seventh Five-Year Plan totaled \$486.4 billion, up 92.7 from the Sixth Five-Year Plan. Exports totaled \$232.5 billion, up 93.7 percent; imports totaled \$253.9 billion, up 91.8 percent. Product mix of import and export goods improved somewhat, imports of luxurious consumer goods dropped sharply, and the proportion of manufactured goods in total exports rose from 49.4 percent in 1985 to 74.5 percent in 1990.

Use of foreign capital increased. During the Seventh Five-Year Plan, China made actual use of \$46.09 billion, which included \$30 billion in loans and \$14.17 billion directly invested by foreign businessmen. The number of projects directly invested by foreign businessmen totaled 29,000 by the end of 1990 and the enterprises gone into operation exceeded 10,000.

Headway was made in foreign economic and technological cooperation. China signed contracts on labor service with 129 countries and regions. During the Seventh Five-Year Plan, China signed a total of 11,219 contracts for overseas projects and labor service, altogether worth \$10.1 billion. Business volume amounted to \$7 billion.

Tourism developed steadily. During the Seventh Five-Year Plan, China received a total of 133 million foreign tourists, up 140 percent from the Sixth Five-Year Plan. Foreign exchange earned through tourism amounted to \$9.72 billion, up 96.3 percent.

VII. Science and Technology

Science and technology registered new development. A total of 14,139 national-level scientific and technological results were achieved during the Seventh Five-Year Plan, up 150 percent from the Sixth Five-Year Plan. With the approval of the state, there were 846 invention awards, 237 natural science awards, 2,330 scientific and technological progress awards, and 261 spark plan awards. A total of 44 key laboratories were established and passed inspection. Over 90 percent of the state's

contracts to tackle key scientific and technological problems were fulfilled. Some of China's scientific and technological achievements approached or reached the world's advanced levels in biological technology, agricultural science, high-energy physics, computer technology, carrier rocket technology, satellite communications, superconductor theoretical research, and other spheres.

Marked results were achieved in the spark plan. A total of 14,000 items regarding the spark plan were completed, training 6.5 million technical and managerial personnel for the rural areas.

During the Seventh Five-Year Plan, the State Natural Science Foundation approved a plan to subsidize 16,504 scientific research projects, worth 644 million yuan.

During this period, the institutions of higher learning had 35,400 scientific and technological achievements which passed the inspection.

A total of 10,346 various kinds of state standards were laid down and revised during the period. New headway was made in meteorology, seismology, marine, survey, and other scientific and technological service work.

The patent work system took shape. Of the 152,971 applications for patents handled during the Seventh Five-Year Plan, 61,499 patents were granted. A number of patents were put into practice which turned out better economic and social effects.

The ranks of scientists and technicians continue to expand. The country had 24.52 million professionals by the 1990 year-end period, which included 10.97 million natural scientists and technicians, up 40 percent from 1985. The country had 5,820 state-owned independent scientific and technological institutes at above county level, 1,130 more than in 1985.

VIII. Education, Culture, Public Health, and Sports

During the Seventh Five-Year Plan, 2.668 million students graduated from universities and colleges, up 73.8 percent from the Sixth Five-Year Plan. Institutions of higher learning enrolled 158,000 postgraduates, of which 6,927 obtained doctor's degrees and 141,000 obtained master's degrees. A total of 2.922 million students graduated from secondary and technical schools, up 31 percent; and 3.895 million students graduated from agricultural and vocational schools, up 240 percent.

Cultural qualities of population improved. Census figures indicated that the number of people with university and college education level among every 10,000 people in China increased from 62 in 1982 to 142 in 1990, those with senior secondary education increased from 678 to 804, and those with junior secondary education increased from 1,789 to 2,334. The country's illiterate or semi-illiterate rate dropped from 20.37 percent to 15.88 percent.

Elementary education was further popularized. The attendance rate of school-age children rose from 95.95 percent in 1985 to 97.9 percent in 1990. The number of

counties which passed the inspection in popularizing elementary education increased from 731 in 1985 to 1,459 in 1990. The number of children attending kindergartens increased by 33.3 percent over 1985.

Adult education developed steadily. In 1990, there were 1.74 million students at adult universities and colleges, approximately the same as in 1985; 15.29 million students at adult secondary technical schools, up 180 percent; and 28.82 million students at adult elementary schools, up 170 percent.

Cultural undertakings maintained prosperity amid reorganization. During the Seventh Five-Year Plan, China produced 674 feature films, an increase of 10 percent over the period of the Sixth Five-Year Plan. There were an additional number of 35 cultural centers, 183 public libraries, 301 museums, 342 radio stations, 287 television stations, and 10,565 television transmitting and relay stations. The rate of coverage was 73 percent for radio (including the central, provincial, prefectural, and county levels) and 78 percent for television, up five percentage points and 10 percentage points, respectively, from 1985. In 1990, there were more varieties of books, magazines, and newspapers than in 1985, but total publication dropped 7.2 percent.

Health services continued to develop and medical conditions further improved. During the Seventh Five-Year Plan, there were an additional number of 7,000 medical institutions, 395,000 hospital beds, and 487,000 professional health workers, all reaching the planned quotas. New successes were achieved in preventing diseases; however, there were still shortages of hospitals in urban areas and rural medical conditions were relatively backward.

Sports developed rapidly and training continuously improved. During the Seventh Five-Year Plan, China's athletes won 285 championships in world tournaments and broke world records on 172 occasions. At the 11th Asian Games successfully sponsored by China in 1990, Chinese athletes scored outstanding achievements which inspired the national spirit. Mass sports activities were continuously popularized and those regularly taking part in physical training accounted for 35 percent of the total population.

9. Living Standards

Urban employment continued to increase. During the Seventh Five-Year Plan, jobs were offered to 20.7 million people. The nation had an additional number of 16.31 million employees, of which 10.2 million were contract workers in state-owned units. In cities and towns, there were 2.5 million self-employed workers more than the Sixth Five-Year Plan.

The people's living standards further improved. The average per capita income of workers in 1990 was 2,150 yuan, 1,002 yuan more than in 1985, a real increase of 2.5 percent after deducting price hikes. If incomes other than wages and the factor of increase in employment are considered, real income for living expenses of urban inhabitants

rose 4.1 percent. During the same period, the average annual income of peasants increased 4.2 percent. Consumption of the inhabitants rose 3.1 percent. The people's health, nutrition, average life-span, and other quotas concerning their qualities of life approached or reached the level of the countries with moderate incomes. Because of uneven development, however, there were still a number of poverty-stricken households.

Urban and rural savings deposits increased by a wide margin. By the end of 1990, the balance of individuals' bank savings amounted to 703.4 billion yuan, 330 percent more than the 1985 year-end figure.

Housing for both urban and rural dwellers continued to improve. In 1990, urban inhabitants had an average living space of 7.1 square meters while rural inhabitants, 17.8 square meters, an increase of 36 percent and 21.1 percent, respectively over 1985.

10. Population

By the end of 1990, China's population totaled 1,143,330,000, 84.82 million more than in 1985 or an annual average increase of 1.55 percent. Note: 1. All the 1990 figures given in this communique are preliminary statistics and do not include those for the province of Taiwan.

2. The total output value listed here is calculated in terms of that year's prices and the rate of growth is calculated in accordance with comparable prices.

3. The base figures used for the comparison of various quotas, except population which is adjusted in light of the 1990 census, are all official figures from the "China Statistics Almanac."

Billions in Foreign Investment Used Domestically

OW1503141991 Beijing XINHUA in English
1343 GMT 15 Mar 91

[Text] Beijing, March 15 (XINHUA)—China is the third-largest user of foreign investment among the developing countries, a Chinese trade official announced today.

The country has utilized 19 billion U.S. dollars-worth of foreign investment in the construction of domestic projects in the past 12 years, he said.

By the end of 1990 China had approved the establishment of 29,000 foreign-funded enterprises, which break down to 16,000 Sino-foreign joint ventures, 9,300 co-operative ventures and 3,300 exclusively foreign-funded enterprises.

The nation's offshore oil corporations have co-operated with overseas partners in 60 oil projects, involving a total investment of 40.3 billion U.S. dollars.

More than 14,000 enterprises, funded by 50 countries and regions, have gone into operation. They cover the energy, transportation, metallurgical, chemical, light and textile industries, as well as agriculture, animal husbandry, fisheries and tourism.

Most foreign investment has been used in China's five special economic zones, 14 coastal open cities, and the pearl river, Yangtze River and Minnan (southern Fujian Province) delta areas, the Shandong and Liaodong Peninsulas and the Pudong development area near Shanghai.

'Underground Economy' Arousing Attention

HK2003155691 Hong Kong ZHONGGUO TONGXUN
SHE in English 1055 GMT 20 Mar 91

[“Feature” By Nong Fu: “Phenomenon of ‘Underground Economy’ Arousing Attention”—Hong Kong ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, March 20 (HKCNA)—As friction arises between the market economy and the planned economy, the ever-increasing phenomenon of the “underground economy” has emerged as one of China's troublesome problems.

The so-called “underground economy” refers to tax evasion, omission of payable tax revenue, smuggling, employment with registration [as received] and those economic activities not sanctioned by the government.

Chinese analysts said that the “underground economy” so far is very prosperous and has penetrated all economic circles and affected people's economic lives. People are now getting used to the terms and practices of moonlighting, Sunday engineer, foreign exchange black market, commission, underground factory and second channel and many have gained considerable profits from them.

The “underground economy” had basically disappeared from the time the national economy started to be planned by the state in the 50s and this was the case up until the late 70s. Even though there were still some rural fairs and very simple transaction involving agricultural by-products, the “tail” of capitalism had been almost completely cut off.

China implemented the reform and opening policy in the 80s in order to establish a new economic structure by integrating the planned economy with a market economy. But at this time when the old system has not yet been abandoned while the new system is still not in place, and with a double-track pricing system now being enforced, the circumstances are proving favourable for the formation of the “underground economy.”

Analysts see four reasons for its formation.

First, as the state unifies the allocation of important production materials, capital and labour according to the administrative hierarchy's regulations, other enterprises and units which do not enjoy the allocation of materials from the state can only obtain them through “underground” channels.

Second, egalitarianism has repressed people's incentive and has thereby given rise to moonlighting or taking a second job.

Third, commodities circulation and pricing are rigidly controlled by the central authorities and essential consumer commodities are a state monopoly. This provides many opportunities for the malpractices of profiteering among officials and enterprises, bribery, corruption and speculation.

Fourth, the government's full control of the expenditure, income, profit and loss of state-owned enterprises, has forced the enterprises to hide their operational status and not disclose some payable tax items.

Evidence has shown that rural enterprises consumed 150 million tonnes of coal, 50.08 billion kw per hour of electricity and 11 million tonnes of oil in 1988. Most of this was basically purchased at high cost from various departments. According to the State Statistical Bureau, there are so far over 220,000 private enterprises throughout China but only 60,000 of these have registered with the State Administration of Industry and Commerce. This implies that many of the private enterprises claim to be “collectively-owned enterprises” in order to enjoy the privileges granted to such enterprises.

A broad inspection carried out two years ago revealed that over half of the state-owned enterprises and over 90 percent of individual business households had engaged in tax evasion or tax omission.

It will take a very long time to stem the “underground economy” phenomenon and the imperative task now is to have a comprehensive understanding of it so that it can be used as reference in the course of formulating important economic policies.

Ministry Issues Circular on Surplus Labor

OW2003172191 Beijing Central Television Program
One Network in Mandarin 1100 GMT 20 Mar 91

[From the “National News Hookup” program]

[Text] The Ministry of Agriculture today issued an urgent circular about settling surplus labor forces in rural areas and providing mobile civilian workers with proper guidance.

The circular says: In an effort to seek jobs, some surplus labor forces in rural areas have been pouring into key cities located in economically developed areas along the coast. This has obstructed the normal operation of highways and railways, and has caused many social problems.

The circular stresses: The fundamental solution to the employment of the surplus labor force rests with making great efforts to develop township enterprises, provide civilian workers with proper guidance, and make the greatest efforts possible to keep these labor forces from leaving their home areas.

Article on Energy Investment, National Strength

HK2003080791 Beijing QUNYAN in Chinese No 2,
7 Feb 91 pp 24-25

[Article by Lin Hua (2651 5478): "Investment in Energy Industry Should Proceed From China's National Strength"—speech delivered at the report meeting of feasibility studies on the Three Gorges Project sponsored by the State Council in July 1990]

[Text] In the last six years, I have attended meetings of feasibility studies on the Three Gorges Project many times, organized experts, scholars, and local experts to make more than 10 on-the-spot investigations of the project and the upper reaches of the Chiang Jiang and the Huang He, and repeatedly discussed with the experts the relationship between the project and the tributaries in the upper reaches of the two big rivers. The unanimous agreement we had reached was that the Three Gorges Project was beyond our country's existing national strength. Once the project using 100 or 200 billion yuan in dynamic investment is launched, it will squeeze out many urgently needed projects in the energy, transportation, and raw and semifinished materials industries.

The problem in the four-decade-long economic construction as summed up by the Fifth Plenum of the 13th CPC Central Committee was impatience for success. Economic construction in the days to come must achieve a sustained, coordinated, and stable growth. Therefore, if the Three Gorges Project is brought online within the Eighth Five-Year Plan or the Ninth Five-Year Tentative Plan, this will be at variance with this spirit and detrimental to our country's economic construction.

In the course of investigations over the last few years, party and government leaders of Yunnan, Guizhou, and Sichuan provinces all actively supported the exploitation of hydroelectric resources and separately offered conveniences in many respects to the Guiyang, Kunming, Chengdu, Central China, Beijing, and other hydroelectric prospecting and designing institutes, and took up the latter's costs for first-phase preparations on their own accord. All of these provinces took the initiative in pooling funds in support of the 200 million-odd-kilowatt hydroelectric projects currently under construction and in helping people who had been displaced by the projects to move to other places and settle down. Sichuan provincial authorities undertook half of the total investment in the Ertan Hydroelectric Station. Moreover, they paid in advance the sum total of 400 million yuan needed for the first-phase project, because the development of the hydroelectric station would help promote water conservancy and agriculture and the exploitation of rich mineral resources and help the poverty-stricken areas to shake off poverty and achieve prosperity once and for all. The power station is also expected to help solve the economic problems of minority areas.

As far as the 200 million-odd-kilowatt hydroelectric projects currently under construction are concerned, so long as the investment is made according to a rational

construction cycle, more than half of the projects can be expected to produce results one after another during the Eighth Five-Year Plan, thus easing the grave situation in various provinces in southwest China, in which industrial production has to be suspended three days a week due to power shortages. Therefore, during the Eighth Five-Year Plan, first of all, investment in the energy industry must meet the needs of projects under construction. If the Three Gorges Project, which requires exceptionally huge investment and has an extraordinarily long construction period, is included in the Eighth Five-Year Plan or the Ninth Five-Year Tentative Plan, without a doubt this will directly hamper all the projects currently under construction and dampen the enthusiasm of various provinces for supporting the construction of hydroelectric projects. It is extremely detrimental in macroeconomic terms. Moreover, since most of these hydroelectric projects now under construction are linked with the initial exploitation of local mineral deposits such as iron and steel, nonferrous metals, and phosphate fertilizer, they can quickly and directly produce the desired results. For example, Yunnan and Guizhou rank first in the country in terms of the quality and quantity of phosphorous ore deposits. Their phosphorous resources surpass those of Florida in the United States, but the latter's highly concentrated phosphoric acid and phosphoric chemical products are on sale throughout the world while Yunnan and Guizhou just ship their phosphorous ore to other parts of the country for processing. The limited carrying capacity of the railways in mountain areas presents a check to production. In the last few years, relying on their own efforts, Yunnan and Guizhou have begun to produce heavy calcium yellow phosphorus (P_2O_5 , 45 percent). With the same carrying capacity, the effectiveness of the product shipped out of the provinces increased by 200 to 800 percent. As long as the hydroelectric stations currently under construction begin to generate electricity and the phosphoric product mix is readjusted, China's highly concentrated phosphate fertilizer industry will have a promising future. Provided the state supports them with appropriate policies, it is entirely possible for the phosphate fertilizer and phosphoric chemical industries of Yunnan and Guizhou to develop themselves using their own economic results, supply domestic markets, and export their products to the Asian markets.

In addition to the Chengdu, Guiyang, and Kunming prospecting and designing institutes, with a staff of 7,000 employees, currently undertaking the first-phase preparations for hydroelectric projects in Southwest China, quite a few teams from the central China, Beijing, Northeast China, Changban, and other prospecting and designing institutes have camped and quietly immersed themselves in hard work all year round in remote mountains and gorges in the region. The conditions there are much harsher than those in the Three Gorges area. The strongest point of the region is that fewer people will be moved to other places and less land will be submerged if hydroelectric projects are to be undertaken there. Therefore, the proposed projects here will be more acceptable

to local authorities. In recent years, thanks to the central authorities' arrangements and the local authorities' support, the first-phase preparations have been accelerated and the 20-million-odd-kilowatt hydroelectric projects currently under construction are the result of their work. The initial plans for the Baobugou, Longtan, Pengshui, Goupitan, and Hongjiadu power stations are expected to be completed soon. Feasibility studies on the Xiluodu, Xiangjiaba, and Jinping power stations in the Jinsha Jiang are under way, which can be viewed as reserve projects to be undertaken during the Eighth and Ninth Five-Year Plans. Moreover, after the completion of these power stations, the total adjustable capacity of reservoirs in the tributaries in the upper Chiang Jiang will be at least 100 percent more than the adjustable water holding capacity of the high dams in the Three Gorges area. If the former are managed by modern information technology, they will be much more effective than the Three Gorges Project in terms of flood prevention.

In the last few years, the Ministry of Energy Resources and the Hydroelectricity Society have repeatedly deliberated on a proposal to build medium-sized hydroelectric stations with a capacity of 10 million kilowatts in the coming 10 years. Although the per-kilowatt cost of building the former is higher than that of the latter, the former have a rather short construction period and promise quicker results. Moreover, it is easier to raise funds for them and after combining with water conservancy facilities, they will be a great help in developing agriculture in a broader sense. For example, the Zipingpu Hydroelectric Station in Sichuan's Min Jiang and the Longtuo Daqiao Hydroelectric Station in the Liangshan Yi Nationality Autonomous Prefecture's Anning He can irrigate an additional 2 million mu of farmland. This being the case, medium-sized hydroelectric stations are commensurate with our country's national condition and therefore, it was wise for the Ministry of Energy Resources and the Hydroelectricity Society to put forth such a proposal.

China ranks first in the world in terms of hydroelectric resources, which are concentrated mainly in Yunnan, Guizhou, and Sichuan. Vigorously exploiting their hydroelectric resources will be of great help. It will help turn local rich mineral resources into various raw and semifinished materials. With such exploitation, we will be able to transmit electricity in large quantities to Guangdong, Guangxi, central China, and the coal-producing centers in northern Shanxi and Inner Mongolia. Together with the Datong-Qinhuangdao railway, the port of Qinhuangdao, and thermal power plants in east China, a good pattern will take shape in our country, in which hydroelectric power generation and thermal power generation will complement each other. As such, it would be best to leave the research of the Three Gorges Project to the 21st century.

State Statistics Bureau Reports Farmers Incomes

OW2003095191 Beijing XINHUA in English
0720 GMT 20 Mar 91

[Text] Beijing, March 20 (XINHUA)—A recent investigation reveals that Shanghai, Beijing and Tianjin cities and Zhejiang and Guangdong provinces represent the top five among all municipalities, provinces and autonomous regions in terms of farmers' average income.

According to the State Statistics Bureau, in 1990 farmers in Shanghai enjoyed an average net income of 1,644.65 yuan, an increase of 20.6 percent over the previous year, while those in Beijing earned 1,261.11 yuan; Tianjin, 1,069.4 yuan; Zhejiang, 1,044.63 yuan; and Guangdong, 951.71 yuan.

Noteworthy, however, is the fact that farmers in Heilongjiang Province, Inner Mongolia and Tibet registered higher increases in annual average incomes than farmers in any of the country's other cities, provinces and autonomous regions.

Inner Mongolia tops the list with a 27.2 percent increase over 1989, Heilongjiang occupies the second position with an increase of 25.3 percent, while Tibet, Shanghai and Jilin occupy the third to fifth positions.

Collective Agriculture To Ease Food Shortage

HK2103022191 Hong Kong SOUTH CHINA
MORNING POST in English 21 Mar 91 p 10

[By Willy Wo lap Lam]

[Text] The failure of the Chinese Government to solve the food problem for a fast-growing population may prompt Beijing to reconsider the collectivist approach to agriculture.

The official New China News Agency said in a dispatch yesterday there were more than 20 million people who had not solved their "eating and clothing problem".

While this is a marked improvement over five years ago, when 65 million people lived under the poverty line, Chinese economists say the prospects for a total solution of the food problem are slim.

With the dramatic development of industry and commerce, more farmers are turning to non-agrarian pursuits. Acreage devoted to grain in particular has shrunk.

In spite of a record harvest of 435 million tonnes last year, China had to import an estimated 15 million tonnes of grain to feed its 1.13 billion people.

Agronomists estimate by the year 2000, when the population will have grown to 1.25 billion, up to 520 million tonnes of grain will have to be harvested each year.

While conferring with officials in Shanghai last month, the senior leader, Mr Deng Xiaoping, mentioned that China's top priority was agriculture.

China analysts say a large number of officials, including state planners, want to recollectivise agriculture by limiting the scope of the family responsibility system, which allows individual households autonomy to pursue their own economic activities.

This is in spite of central-level documents issued last December that the responsibility system would remain intact.

The collective approach would facilitate the large-scale use of machinery. More important, it would enable the state to have more control over the type of crop that is being grown.

Statistics released by the NCNA yesterday said the degree of mechanisation in the villages had gradually increased over the past decade.

Total capacity of agricultural machinery at the end of last year was 285 million horsepower, up from 200 million horsepower ten years ago.

While touring predominantly rural Hunan province, the party General Secretary, Mr Jiang Zemin, hinted that Beijing was considering the collectivist approach.

Mr Jiang told local cadres that "the thought and guiding principle of taking agriculture as the basis (of the economy) must never be shaken".

While noting that the family responsibility system "would be stabilised and remain unchanged for a long period of time", Mr Jiang indicated that the collective approach would also be encouraged.

"The party must ceaselessly perfect the synthesis of unification and decentralisation (in agriculture management)", he said. "It must develop a socialised service system in the villages and gradually strengthen the collectivist economy".

East Region

Jiang Chunyun on Township Enterprise Development

SK2003134791 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 19 Mar 91

[Text] At an on-the-spot work meeting held in the provincial township enterprise bureau on the afternoon of 18 March, Jiang Chunyun, secretary, and Ma Zhongcai, deputy secretary of the provincial party committee, and Li Chunting, provincial vice governor, pointed out that during the Eighth Five-Year Plan period, development of township enterprises should be focused on improvement of their grades, quality and levels, and that their quality, competitive edges, and economic efficiency should be comprehensively improved so that the second step for township enterprise development can be successful.

After hearing the report of the provincial township enterprise bureau on its work and future plans, Jiang Chunyun said: By overcoming numerous difficulties, township enterprises of our provinces made new developments during the Seventh Five-Year Plan period. Their output value exceeded 100 billion yuan, and their quality was gradually upgraded, their scope expanded, and their efficiency notably improved.

Jiang Chunyun said: While affirming the achievements, we must see our deficiencies. The current development of the township enterprise of our province is still very uneven, their products are of low quality, their management is rather extensive, and their backward technology and lack of trained personnel remain very obvious. These problems impede their development.

Jiang Chunyun pointed out: During the Eighth Five-Year Plan period, township enterprises of our province should take the guidelines of the seventh plenary session of the 13th party Central Committee and the sixth enlarged plenary session of the fifth provincial party committee as the guide, learn from the experiences of Jiangsu, Zhejiang, and Guangdong, and improve their quality, grade, and levels. While maintaining the sustained and stable development in township enterprises, we should pay particular attention to raising their efficiency by expanding their scale. We should promote incorporation and cooperation, support backbone production on a priority basis, and produce a great number of highly competitive products. We should tap potential by upgrading technology and strengthening management. We should particularly develop export-oriented enterprises and products. We should emphasize efforts to open up the market and keep channels for the circulation of goods unimpeded. We should also emphasize the work to bring in trained personnel and achieve technological progress.

Jiang Chunyun stressed: During the Eighth Five-Year Plan period, party and government organs at various levels should continue to attach strategic importance to township enterprise development, include it in their

agenda, and conscientiously strengthen leadership over it. They should summarize some typical examples that have achieved rapid development and good efficiency, and popularize their experiences from selected areas to all the areas throughout the province. When giving guidance to work, we should give guidance according to different local conditions, and never seek uniformity. All localities should continue to deepen reform, and stabilize and improve the existing policies in order to maintain the good trend in township enterprise development. We should continue to simultaneously develop the township enterprises run by townships, villages, and households jointly or individually, place the collective sector of the economy in the lead, and make the various sectors develop simultaneously. We should persist in and improve the mechanisms for the management of enterprises, and eliminate the practice of lifelong tenure. We should encourage township enterprises to learn from the managerial experiences of large enterprises, which, in turn, should learn from the mechanisms of township enterprises which are full of vitality. We should encourage township enterprises to cooperate with large enterprises, colleges, and universities, and scientific research units in the development of new products and technical transformation. We should correctly handle the relationship between accumulation and distribution, and gradually increase accumulation to enhance strength for sustained development.

In conclusion, Jiang Chunyun stressed: Township enterprises should adhere to the principle of developing the material and the spiritual civilizations simultaneously. They should make particular efforts to improve their leading bodies and party organizations so that they will always have a strong core for leadership. They should adopt various measures to intensify the training of staff members and workers, and to strengthen ideological and political work.

The on-the-spot work meeting was chaired by Li Chunting, Standing Committee member of the provincial party committee and provincial vice governor. Ma Zhongcai, deputy secretary of the provincial party committee, also gave a speech. Responsible comrades of the pertinent departments of the province studied ways to solve relevant problems on the spot.

Discusses United Front Work

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[Text] Jiang Chunyun, secretary, and Ma Zhongcai, deputy secretary of the provincial party committee, held a forum with directors of the united front work departments of 16 cities and prefectures, who attended the provincial united front work conference, at the conference room of the provincial party committee Standing Committee on the morning of 19 March. They heard their opinions, helped them solve problems, and conducted further study on ways to improve the party's united front work.

Tian Jian, director of the united front work department of the provincial party committee, presided over the forum. Directors of the united front work departments of the party committees of Taian, Heze, Jining, Weifang, and Qingdao spoke on the united front work at the grass-roots levels and on its major problems.

Comrade Jiang Chunyun said: The party Central Committee has set very clear tasks, requirements, principles, and policies for united front work. The provincial party committee has also made comprehensive arrangements for it. The current crucial work is making great efforts to carry the arrangements out.

He urged: Party committees at all levels and their united front work departments should conscientiously intensify the publicity and education on the party's theories, principles, and policies on united front work; study and publicize the guidelines of relevant central instructions and documents; bear the actual situation firmly in mind; unify their thinking; enhance their understanding; and make the vast number of party members and cadres fully understand the importance of the united front work in the new period and the party's principles and policies on united front work. Only when they achieve success in this can they fulfill the tasks for united front work.

Jiang Chunyun pointed out: We should focus on the party's central task when carrying out united front work. At present, to make united front work serve the party's central task, we should thoroughly implement the guidelines of the seventh plenary session of the 13th party Central Committee, and serve the purposes of attaining the second step of the strategic objective, developing the national economy, and maintaining social stability. It is hoped that comrades of united front work departments will actively carry out their work in line with this guiding principle.

Jiang Chunyun also presented opinions and requirements on the arrangements for personages outside the party and on the work to improve democratic parties and united front work departments.

Comrade Ma Zhongcai also spoke after hearing reports. He said: The new situation and tasks set forth new and still higher demands on united front work. Party committees at all levels should attach more importance to

and strengthen leadership over united front work, continuously consolidate and expand the united front, unite all the persons who can be united, mobilize all positive factors, and concentrate the will and efforts of the people on economic construction.

Ma Zhongcai pointed out: United front work involves large areas of work and should be oriented to the needs of the people in various fields. While achieving success in the work concerning the large number of people in various fields, we should particularly do a good job in making friends with those at higher levels, who are representative figures and who have influence.

He emphasized: The arrangements for the personages outside the party constitute a major party policy for united front work. All localities and all departments should do a good job in discovering, evaluating, and training the outstanding cadres outside the party in line with the requirements of the provincial party committee. They should gradually establish a contingent of reserve cadres at various levels outside the party who are engaged in various fields of work and whose age pattern is in the pyramid shape, with young cadres accounting for the largest proportion. We should pay attention to and discuss major issues and further intensify the study of the theories, strategies, principles, and policies on united front work. There is no trivial task for united front work. Issues on multiparty cooperation, intellectuals, the principle of one country and two systems, nationalities, and religion are all major issues concerning the overall situation. United front work departments of party committees at all levels should have a good command of the overall situation, have foresight in and plans for their work, and have initiative in carrying it out. They should serve well as advisers and assistants to party committees.

Ma Zhongcai emphasized: United front work is an important part of party work and is reflected in the various fields of party work. Only when the entire party makes concerted efforts can united front work succeed.

The four-day provincial united front work conference concluded in Taian on 19 March. It arranged the united front work tasks for this year. Tian Jian, director of the united front work department of the provincial party committee, gave a summarizing speech.

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